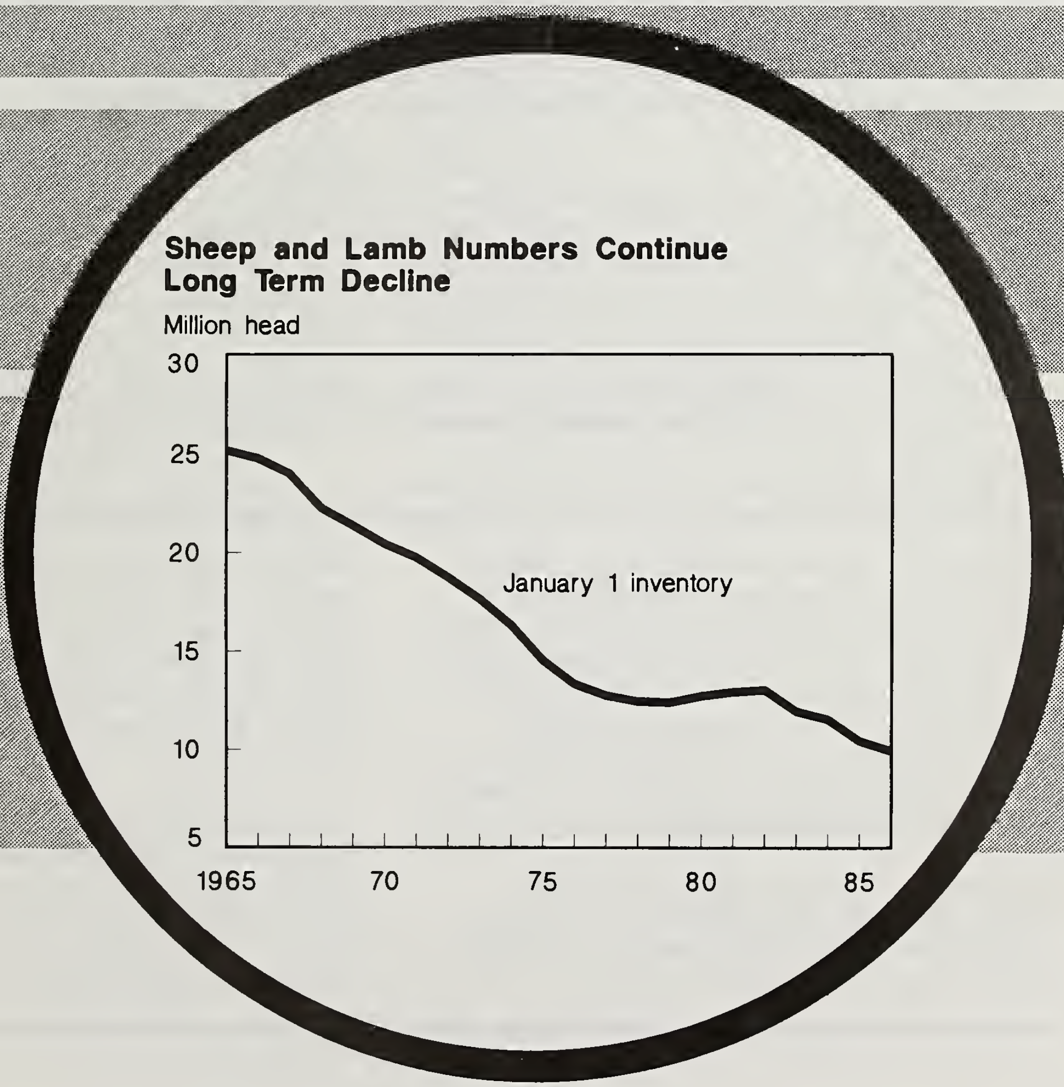
Department of Agriculture

Economic Research Service

LPS–20
May 1986

Livestock and Poultry

Situation and Outlook Report



CONTENTS

Page

Situation Coordinators
Allen Baker
Leland Southard

Principal Contributors
Ronald Gustafson (Factors Affecting Livestock and Poultry), (202) 786-1830
John Nalivka (Cattle)
Leland Southard (Hogs and Sheep)
Allen Baker (Poultry)
Karen Parham (Retail Price and Consumption)

Statistical Assistants
Christi Nuckolls (Livestock)(202) 786-1830
Eunice Armstrong (Poultry)

Electronic Word Processing
Diana L. Claytor

National Economics Division, Economic Research Service
U.S. Department of Agriculture, Washington, D.C. 20250

Approved by the World Agricultural Outlook Board. Summary released Monday, May 5, 1986. The next summary of the *Livestock and Poultry Situation and Outlook* is scheduled for release on August 6, 1986. Summaries of Situation and Outlook reports, including tables, may be accessed electronically through the USDA EDI system. For details, contact Martin Marietta Data Systems (301) 982-6662.

The present forecasts will be updated if needed in the World Agricultural Supply and Demand Estimates scheduled for release on May 9, June 10, and July 11, 1986.

The *Livestock and Poultry Situation and Outlook* is published quarterly. Annual subscription: $13 U.S., $16 foreign. Order from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Make checks payable to the Superintendent of Documents.

Current subscribers will receive renewal notices from the Government Printing Office approximately 90 days before their subscription expires. Notices will be sent ONLY ONCE and should be returned promptly to ensure uninterrupted service.

SUMMARY

Total Meat Supplies Remain Large

Although beef supplies will increase as a result of the slaughter of dairy cattle by producers participating in the Dairy Termination Program, USDA is purchasing additional quantities of red meats for domestic feeding programs and for exports to offset the larger supplies. Programs to boost dairy cow exports also are underway.

Prior to announcement of program participation, the market was already burdened with large beef supplies and low prices, due to a slower-than-expected marketing pace and continued record heavy slaughter weights. However, beef production and total red meat supplies are expected to drop below year-earlier levels in 1986. Continued expansion in the relatively lower-priced poultry sector is likely to be only partially offsetting. Total red meat and poultry consumption will remain large, but may fall 2 to 3 pounds below last year's record 214 pounds per person. Large meat supplies will continue to limit price advances, particularly for the more expensive red meats.

The cattle herd continues to decline, and despite additional dairy beef entering the market, per capita beef consumption is expected to drop about 3 pounds in 1986. Last year, consumption rose 1/2 pound per person as increased slaughter of fed heifers and cows plus heavier fed cattle weights generated large beef supplies. Consequently, retail prices dropped 3 percent from 1984, but may rise 2 to 3 percent in 1986. Increased poultry production likely will hold down price gains for beef as beef supplies decline over the next couple of years. Consumers will continue to have large quantities of the already lower-priced poultry.

The number of sows farrowing in 1986 is expected to be below 1985 through the third quarter, but pigs per litter may continue to rise. With only a modest decline in hog numbers and heavier weights, pork production may decline only about 2 percent from last year. Pork consumption may drop 2 pounds in 1986 after remaining at 62 pounds per person during 1983-85. Smaller supplies are expected to strengthen retail pork prices relative to 1985 and 1984's $1.62 per pound.

After holding steady at about 11 pounds per person in both 1983 and 1984, turkey consumption rose a pound per person in 1985. Although production was up from a year earlier, more further-processed products resulted in higher average prices. In 1986, per capita consumption may increase another 1 to 1-1/2 pounds while wholesale prices decline only modestly.

Despite lower egg prices in 1985, per capita consumption fell 6 eggs per person from 1984. Egg producers have experienced sharp price fluctuations in the past 2 years that have made production planning difficult. However, in 1986, more stable conditions may begin to make flock management easier. More pullets are being added and additional egg production is expected. However, per capita consumption may decline by 3 eggs and prices may increase slightly.

Table 1--Livestock, poultry, and egg production and prices
(All percent changes shown are from a year earlier.)

Item	1984	1985			1986				
	Annual	III	IV	Annual	I	II 1/	III 1/	IV 1/	Annual 1/
					Million pounds				
PRODUCTION									
Beef	23,418	6,167	5,775	23,557	5,769	5,925	5,800	5,400	22,894
% change	+2	+3	-3	+1	+1	0	-6	-6	-3
Pork	14,720	3,553	3,814	14,728	3,564	3,575	3,500	3,750	14,389
% change	-3	+6	-4	0	-1	-4	-2	-2	-2
Lamb & mutton	371	85	91	352	89	78	80	82	329
% change	+1	-3	-2	-5	-4	-6	-6	-10	-7
Veal	479	126	134	499	129	145	115	115	504
% change	+12	+2	+5	+4	+8	+21	-9	-14	+1
Total red meat	38,988	9,931	9,814	39,136	9,551	9,723	9,495	9,347	38,116
% change	0	+4	-3	0	0	-1	-4	-5	-3
Broilers 2/	12,999	3,484	3,344	13,569	3,401	3,650	3,650	3,550	14,251
% change	+5	+4	+4	+4	+5	+4	+5	+6	+5
Turkeys 2/	2,574	855	835	2,800	551	715	960	960	3,186
% change	0	+10	+8	+9	+14	+14	+12	+15	+14
Total poultry 3/	16,088	4,452	4,293	16,872	4,088	4,485	4,720	4,630	17,923
% change	+4	+5	+4	+5	+6	+5	+6	+8	+6
Total red meat & poultry	55,076	14,381	14,107	56,008	13,639	14,208	14,215	13,977	56,039
% change	+1	+4	-1	+2	+2	+1	-1	-1	0
					Million dozen				
Eggs	5,708	1,408	1,442	5,688	1,421	1,410	1,420	1,455	5,706
% change	+1	-1	-2	0	-1	0	+1	+1	0
PRICES									
					Dollars per cwt				
Choice steers, Omaha, 900-1100 lb	65.34	52.16	61.42	58.37	57.22	55-58	58-64	61-67	57-62
Barrows & gilts, 7 mkts	48.86	43.62	45.05	44.77	43.30	40-43	42-48	42-48	42-46
Slaugh. lambs, Ch., San Ang.	62.18	70.98	63.58	68.61	65.63	66-69	64-70	63-69	64-68
					Cents per pound				
Broilers, 12-city avg. 4/	55.6	50.9	50.2	50.8	50.3	49-52	47-53	46-52	48-52
Turkeys, NY 5/	74.4	77.9	90.1	75.5	62.0	64-67	67-73	77-83	67-71
					Cents per dozen				
Eggs New York 6/	80.9	68.3	75.9	66.5	74.2	62-65	65-71	67-73	67-71

1/ Forecast. 2/ Federally inspected. 3/ Includes broilers, turkeys, and mature chickens. 4/ Wholesale weighted average. 5/ Wholesale, 8- to 16-pound young hens. 6/ Cartoned, consumer Grade A large, sales to volume buyers.

FACTORS AFFECTING LIVESTOCK AND POULTRY

Longer term fundamentals continue to point toward an improving situation for meat producers. Declining cattle and hog inventories promise reduced meat supplies, while the Food Security Act results in lower grain prices beginning with lower loan rates at harvesttime (the start of the new crop year). Forage supplies are likely to continue favorable in most areas as the grazing season begins. While not needed at present, provisions of the new farm act allowing for haying and grazing on Acreage Reduction Program (ARP) acres provide additional forage insurance in case of drought. However, several factors continue to result in excess meat supplies and prices too low for expansion. For example, record heavy slaughter weights have continued through early spring, and since April 1, beef supplies have also increased as a result of the slaughter of dairy cattle by producers participating in the Dairy Termination Program (DTP). USDA is purchasing additional quantities of red meats for domestic feeding programs and for exports to offset the larger supplies. Programs to boost dairy cow exports also are underway.

Dairy Termination Program Announced

Under the DTP, the Government announced on March 28 that it would accept contracts to buy out 12.3 billion pounds of milk production. Producers with accepted contracts had an inventory at the time they submitted their bids of 951,619 dairy cows, 340,789 dairy heifers, and 257,995 dairy heifer calves. The Commodity Credit Corporation (CCC) set up three signup periods and as directed by Congress, provided that slaughter be held down in the second period---September 1, 1986 through February 28, 1987---when beef cow culling is seasonally high. Signup and bid acceptance were heaviest for the first period---April 1 through August 31, 1986---when about two-thirds of the milk producers are scheduled to sell off their herds. Program slaughter in the second and third periods will be modest and likely will be more than compensated by reduced slaughter because of the large number of dairy cows and bred heifers slaughtered in the first period.

The dairy cow inventory is expected to drop below year-earlier levels by fall and remain well below a year earlier through at least 1987. Since about 30 percent of the dairy herd is culled each year, once the large first period slaughter is over, dairy beef output will drop below levels that might have occurred without the program.

Dairy cows and bred heifers must be slaughtered within 15 days of sale. All dairy cows and herd heifers in the program for the first period must be slaughtered by August 31. Unbred heifers and calves must be slaughtered by September 30, which would allow for a growing or feeding period.

While the program was designed to buy out future production, a number of program participants undoubtedly would have quit production anyway. Individuals with financial problems and their lenders also have likely delayed foreclosure proceedings until the herd could be disposed for the additional program payments. The size of the two groups is uncertain, but both likely will liquidate their herds early. There is also some incentive for individuals to terminate production once the contract is signed, and receive the payments rather than put off the inevitable until late summer. Some analysts have argued that a large number of the remaining first-quarter participants may choose to continue milking their cows through the spring flush period and then liquidate in late July to mid-August. However, even in these herds, a sizable number of cows and heifers likely would be slaughtered early. Unlike the beef sector, dairy cows are bred to freshen throughout the year. Thus, about 15 percent of the cows in any herd are dry at the present time, and there is little reason to continue feeding most of them, even for a short milking period. The cash generated from their sale can be used to improve cash flow or invested. In addition, cows that are toward the end of their lactation are likely not covering variable costs, particularly if opportunity costs of the cows' sales value is included. Such animals are also likely to be slaughtered early in each period.

The Secretary announced that beginning with slaughter during the week ending May 3, USDA would collect and report the number of program cows slaughtered each week, in addition to reporting weekly total cow and

dairy cow slaughter. The first report will be released about May 20. The CCC in late April began contacting program participants to determine the month or months they intend to slaughter their cows, heifers, and calves. Similar data for intentions to export cattle will also be collected. A followup will also occur on reports of animals slaughtered.

Provisions in the Food Security Act require the Department to purchase 400 million pounds of red meat from the market to offset the impact of increased dairy cattle slaughter. USDA has implemented the meat purchasing program and has indicated intentions to correlate buying with slaughter levels. Approximately half of the 400 million pounds purchased will be distributed to domestic nonprofit charitable institutions for the needy, nutrition programs for the elderly, nonprofit summer camps for children, and to other child-nutrition programs, including the school lunch program, through 1987. The other 200 million pounds will be completely removed from the domestic market through exports or made available to U.S. military commissaries in foreign countries. Given producer slaughter intentions for the first period, at least 250 million pounds of the 400 million pounds are likely to be purchased during the first period. A purchase of 250 million pounds of red meat on a product weight basis would convert to about 310 to 360 million pounds on a carcass weight equivalent.

Purchases have already begun with domestic purchase contracts accepted through April 29 for 39.4 million pounds of ground and canned beef. Commitments have also been announced from the Department of Defense to distribute overseas additional red meat purchases by CCC, for sale through commissaries and related outlets. In addition, funds are being made available to encourage export of dairy cows to foreign countries. Dairy cows and heifers in the program could be exported with help from the export bonus program and additional credit guarantees.

These purchase and export plans should offset the impact of the slaughter program. Increased dairy cattle slaughter in the first period will cause dairy beef production this fall to be lower than it would have been without the program. Contributions to beef supplies are likely to remain down through at least 1987 because of the reduced dairy inventory.

Feed Grain Prices To Decline

Burdensome grain stocks, declining exports, and near static feeding levels continue to pressure grain prices. In addition, lower loan rates beginning with the new crop year and Gramm-Rudman-Hollings budget cuts are also reducing crop prices. Ending feed grain stocks this year are expected to be more than double the 1984/85 ending stocks.

The farm price of corn is expected to average $2.30 to $2.45 a bushel in 1985/86, compared to $2.62 and $3.25 in 1984/85 and 1983/84, respectively. The farm price of corn averaged $2.25 in mid-April.

Soybean meal stocks are also expected to rise, as soybean crush remains above a year ago. Although domestic use is about unchanged from a year ago, exports have strengthened. Consequently, soybean meal prices in 1985/86 are expected to average $140 to $155 per ton, up about 17 percent from a year ago, but still below the $188.50 in 1983/84.

Forage conditions appear favorable for good pasture and hay production this year. However, conditions in the Southeast are cause for concern. Producers surveyed in the March *Prospective Plantings* report intend to increase hay acreage harvested by about 1 percent this year. Given the reduced cattle inventory and Acreage Reduction Program haying and grazing provisions, forage supplies appear favorable. Hay stocks are likely to continue to expand and could result in increased price pressure as haying season approaches. The farm price of hay averaged $69.20 a ton in April, compared with $72.50 in April 1985.

EGGS AND POULTRY

Eggs

During the remainder of 1986, egg production is expected to be above a year ago, resulting in prices below last year.

Producers Expand Laying Flocks

Egg producers have been through a lot of adjustments in the past 4 years. In 1983,

rapidly rising feed costs forced producers to slow orders for replacement pullets and sell hens to cut egg production. As this adjustment was about completed, avian influenza further cut egg production and even more importantly raised the concern of greater reductions, which sent prices up further. Producers responded by ordering more replacements and keeping old hens to increase egg production. When the replacement pullets began laying in second-half 1984 and into 1985, egg prices declined, forcing adjustments. As the layer numbers were reduced and replacement orders reduced again, egg prices improved when egg supplies declined. In the third quarter of 1985, egg prices increased almost 8 cents per dozen while costs declined 1 cent, resulting in positive net returns, and producers began ordering replacement pullets. The egg-type chick hatch was above a year ago starting in September 1985 and continuing into 1986.

Table 2--Layers on farms and eggs produced, 1985-86 1/

Quarters	Number of layers		Eggs per layer		Eggs produced	
	1985	1986	1985	1986	1985	1986
	- Millions -		- Number -		Million dozen	
I	284	280	60.9	60.8	1,440.2	1,420.0
II	274		63.1		1,442.8	
III	271		62.2		1,403.8	
IV	278		61.0		1,413.7	
Annual	277		247.0		5,700.1	

1/ Marketing year beginning December 1.

In addition to ordering replacement pullets, producers can force molt more of their hens to maintain flock numbers, rather than selling them. While force molting reduces egg production for a few weeks, additional eggs are obtained faster than ordering replacement pullets. The percentage of the flock that has been force molted tends to rise when profits improve and producers are beginning to order more pullets. Molting is also a means of reducing production during the summer while retaining the hens to lay in the fall when egg demand increases seasonally. May, June, and July tend to have higher percentages of hens being molted than the fall and winter quarters.

In 1985, the percentage of the flock that had been force molted declined until May, then increased through January 1, 1986. As old hens were sold after the first of the year, the percentage of the flock that had been force molted declined, but remained over 20 percent. With additional replacements entering the flocks, the percent force molted will likely decline. However, hens that were molted at the end of the third quarter and in the early fourth quarter 1985 will remain in the flocks in 1986 and help keep the percentage of hens molted relatively high in 1986.

Table 3--Force moltings and light-type hen slaughter, 1984-86

Month	Force molted layers 1/						Light-type hens slaughtered under Federal inspection 2/		
	Being molted			Molt completed					
	1984	1985	1986	1984	1985	1986	1984	1985	1986
	- - - - Percent - - - -						- - - Thousands - - -		
January	3.4	2.3	3.6	24.1	17.8	25.2	10,394	18,928	13,576
February	4.9	4.6	4.8	22.9	16.6	23.5	9,751	13,674	12,358
March	5.4	3.8	4.2	22.4	15.6	24.3	11,602	13,311	14,130
April	4.4	3.0	2.8	22.8	15.6	24.0	11,684	13,822	
May	5.1	5.6		22.3	14.6		13,657	12,377	
June	7.4	6.0		20.5	16.0		13,932	9,080	
July	4.5	5.4		21.2	19.1		12,533	9,780	
August	4.3	4.4		21.3	20.3		14,307	10,204	
September	3.5	4.9		21.0	21.2		11,986	9,436	
October	3.2	5.8		19.9	21.6		16,277	9,499	
November	3.9	5.3		19.1	23.6		12,110	9,170	
December	2.7	3.2		19.0	25.2		13,768	13,200	

1/ Percent of hens and pullets of laying age in 17 selected States. 2/ Revisions include data from late reports or other corrections developed by the Food Safety and Inspection Service.

One reason that the percentage of the hens force molted has remained high through April 1 has been the reduced slaughter of light-type hens. During first-quarter 1986, the number of light-type hens slaughtered under Federal inspection was 12 percent below a year ago. Slaughter may increase slightly in the second quarter as producers replace old hens that have not been force molted or those nearing the end of their post molt production period. However, hens that have been force molted are likely to be retained until they reach the end of their production cycle.

Table 4--Egg-type chick hatchery operations, 1984-1986

Month	Hatch			Eggs in incubator first of month		
	1984	1985	1986	1984	1985	1986
	- - Thousands - -			- - Percent - -		
Jan.	36,923	28,289	34,387	112	80	113
Feb.	37,451	28,419	34,745	112	76	125
Mar.	45,697	36,923	39,745	125	76	109
Apr.	47,936	40,873		127	82	106
May	49,005	38,967		131	80	
June	46,545	33,838		128	72	
July	37,424	32,094		125	80	
Aug.	34,824	32,503		112	87	
Sept.	33,113	33,568		99	97	
Oct.	31,372	33,593		93	105	
Nov.	30,142	33,606		99	110	
Dec.	27,098	34,615		84	123	

Egg Production To Increase

Egg production in the first quarter was 1 percent below a year ago. The reduction in hens relative to a year ago accounted for the decline, as the rate of lay was nearly the same. Production in the second quarter is expected to be about the same as last year. Additional replacement pullets will be available relative to last year but these may be nearly offset by slightly higher hen slaughter. The rate of lay is expected to be nearly the same as the very high level last year.

Estimated costs of producing and selling eggs at wholesale during first-quarter 1986 were 66 cents per dozen. Wholesale prices

Table 5--Egg prices and price spreads, 1985-86

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
						Cents per dozen							
Farm price 1/													
1985	43.2	44.5	50.5	44.9	41.9	45.6	45.3	50.5	55.5	57.2	60.3	60.2	50.0
1986	58.2	53.6	61.7	50.5									
New York (cartoned) 2/ Grade A, large													
1985	61.5	58.1	65.5	59.9	55.7	64.4	60.2	69.8	73.5	73.8	77.8	76.0	66.4
1986	73.3	68.3	80.8										
4-region average, Grade A, large Retail price													
1985	74.6	78.4	79.0	78.3	74.5	72.4	78.7	78.9	85.7	86.0	87.2	90.6	80.4
1986	90.1	86.6	99.7										
Price spreads Retail-to-consumer													
1985	12.6	17.0	10.7	15.3	17.3	8.4	15.9	7.6	11.5	11.3	10.2	14.6	12.7
1986	14.9	17.2	21.0										
							1967=100						
Consumer price index													
1985	161.3	169.7	172.1	169.9	159.9	158.3	168.4	171.0	185.7	187.4	190.8	196.7	174.3
1986	194.4	186.7	190.8										

1/ Market (table) eggs including eggs sold retail by the producer; data not available prior to 1982.
2/ Price to volume buyers.

Table 6--Shell eggs broken and egg products produced under Federal inspection, 1985-86

Period	Shell eggs broken	Egg products produced 1/		
		Liquid 2/	Frozen	Dried
	Thou. doz.	Thou. lbs.	Thou. lbs.	Thou. lbs.
1985				
January	68,245	47,825	27,959	7,819
February	55,546	39,713	22,863	6,320
March	58,915	44,234	23,098	6,402
April	68,952	50,521	29,233	7,075
May	80,190	59,490	31,481	10,304
June	67,540	48,366	25,988	9,986
July	74,798	52,155	28,732	9,585
August	72,067	52,290	28,103	8,259
September	67,276	49,055	25,740	7,279
October	75,820	54,576	30,661	9,983
November	61,153	44,106	26,654	7,812
December	62,106	45,032	27,981	7,810
1986				
January	67,415	50,206	28,122	6,574
February	61,356	46,368	24,252	6,556
March	59,034	45,856	23,221	5,429

1/ Includes ingredients added. 2/ Liquid egg products produced for immediate consumption and for processing.

Table 7--U.S. egg exports to major importers January-March, 1985-1986 1/

Country or Area	1985	1986
	1,000 Dozen	
Japan	8,836	17,303
Canada	3,052	2,815
Hong Kong	1,494	1,437
Mexico	70	1,146
Trinidad-Tobago	1,087	606
Federal Rep of Germany	200	370
Dominican Republic	26	344
Switzerland	129	319
Haiti	216	168
Jamaica	275	160
United Kingdom	14	155
Barbados	105	155
Suriname	207	117
Pacific Is. Trust Terr.	0	70
Leeward-Windward Is.	39	69
Other	1,047	738
Total	16,797	25,972

1/ Shell and shell equivalent of egg products.

have averaged above costs and producers have realized positive estimated net returns. Thus, there has been an incentive to increase production both by ordering replacement pullets and force molting some of the layers. Wholesale prices in April are seasonally low and below costs; therefore, second-quarter returns may be disappointing. With costs of production expected to trend downward both from lower feed costs and lower petroleum costs, net returns may again become favorable, especially in second-half 1986. Financial incentives plus additional pullets strongly suggest an increase in egg production in second-half 1986 relative to last year.

Egg Prices Below Last Year

Prices of cartoned Grade A large eggs in New York during the first quarter averaged 74 cents per dozen, up from 62 cents last year. Smaller supplies of eggs resulted in stronger prices this year. Demand usually declines seasonally in the second quarter resulting in lower prices than in the first quarter of the year. Second-quarter prices are expected to average 62 to 66 cents per dozen, up from 60 cents last year. Producers are likely to sell more old hens if prices decline much below this level, because of negative returns and the additional pullets that will go into the houses later.

With seasonal increases in demand in the second half, prices may average 66 to 72 cents per dozen, compared with 72 cents in 1985. Increased egg production may cause any decline in prices relative to the year earlier.

The demand for eggs by breakers is expected to remain strong in 1986. In 1985, eggs broken under Federal inspection increased 6 percent from 1984. During first-quarter 1986, the number was up 3 percent from 1985.

Cold Storage Stocks and Exports Increase

While cold storage, shell equivalent, stocks of frozen egg products and shell eggs have been below last year thus far in 1986, stocks may be near to slightly above last year in the rest of 1986. Stocks on April 1 were 20 percent below 1985 as shell eggs were removed for Easter sales and stronger prices discouraged holding stocks of egg products.

Table 8--Total eggs: Supply and utilization by quarters, 1984-86

Year	Supply				Utilization				Domestic disappearance	
									Civilian	
	Production	Imports 1/	Beginning stocks	Total supply	Ending stocks 1/	Exports and shipments 1/	Eggs used for hatching	Military 1/	Total	Per capita 2/
	- - Million dozen - -									Number
1984 3/										
I	1,400.6	13.9	9.3	1,413.6	10.2	17.5	133.0	4.2	1,258.9	64.6
II	1,409.2	7.6	10.2	1,413.3	13.7	15.3	138.0	5.3	1,254.6	64.2
III	1,428.2	7.2	13.7	1,435.6	13.4	26.7	128.4	3.7	1,276.8	65.2
IV	1,470.3	3.4	13.4	1,475.9	11.1	26.5	130.4	4.4	1,314.7	66.9
Year	5,708.2	32.0	9.3	5,738.4	11.1	86.1	529.7	17.6	5,105.1	260.9
1985 3/										
I	1,430.5	2.2	11.1	1,432.9	11.0	24.5	136.1	5.1	1,267.2	64.4
II	1,407.5	3.3	11.0	1,409.6	11.9	24.5	139.7	5.6	1,239.7	62.8
III	1,407.7	2.3	12.2	1,409.1	13.1	25.0	133.7	4.5	1,245.9	63.0
IV	1,441.8	4.9	13.1	1,448.7	10.7	27.0	138.6	5.0	1,278.5	64.5
Year	5,687.5	12.7	11.1	5,700.2	10.7	101.0	548.1	20.2	5,031.3	254.6
1986 3/										
I	1,421.4		10.7		8.7		138.5	4.6		

1/ Shell eggs and the approximate shell-egg equivalent of egg products. 2/ Calculated from unrounded data. 3/ Preliminary.

Table 9--Shell eggs: Supply and utilization by quarters, 1984-86 1/

Year	Supply						Utilization	Domestic disappearance		
									Civilian	
	Stock change	Production	Hatching use	Eggs broken	Imports	Total supply	Exports and shipments	Military	Total	Per capita 2/
	- - - - Million dozen - - - -									Number
1984 3/										
I	-0.7	1,400.6	133.0	178.9	12.4	1,101.4	9.5	3.9	1,086.9	55.7
II	-.2	1,409.2	138.0	191.5	7.2	1,088.0	10.9	4.6	1,071.3	54.8
III	.6	1,428.2	128.4	206.4	6.3	1,100.9	16.1	3.2	1,080.9	55.2
IV	-.2	1,470.3	130.4	192.1	2.7	1,151.1	13.4	3.5	1,133.3	57.7
Year	-.5	5,708.2	529.7	768.9	28.5	4,438.5	49.9	15.3	4,372.3	223.4
1985 3/										
I	.2	1,430.5	136.1	182.7	.9	1,113.5	13.9	4.4	1,094.5	55.6
II	.1	1,407.5	139.7	216.7	2.3	1,054.2	15.0	5.1	1,033.5	52.4
III	0	1,407.7	133.7	214.1	1.1	1,061.6	12.9	4.0	1,044.0	52.8
IV	.1	1,441.8	138.6	199.1	4.3	1,109.1	14.2	4.3	1,089.8	55.0
Year	.2	5,687.5	548.1	812.6	8.6	4,336.3	56.0	17.8	4,261.8	215.7
1986 3/										
I	-.1	1,421.4	138.5					4.3		

1/ Totals may not add because of rounding. 2/ Calculated from unrounded data. 3/ Preliminary.

Table 10--Eggs and poultry: Gross farm income, 1970-85 1/

Year	Value of sales and consumption on farms here produced								
	Eggs		Broilers sales	Turkeys sales	Nonbroiler chickens		Total		
	Sales	Consumed on farms			Sales	Consumed on farms	Sales	Consumed on farms	Gross income
	Million dollars								
1970	2,190	30	1,475	498	102	6	4,265	36	4,301
1971	1,801	20	1,487	500	93	5	3,881	25	3,906
1972	1,764	17	1,623	537	101	5	4,025	22	4,047
1973	2,859	27	2,690	936	169	8	6,654	35	6,689
1974	2,884	25	2,436	683	116	5	6,119	30	6,149
1975	2,797	22	2,915	793	104	5	6,609	27	6,636
1976	3,109	24	2,945	825	136	6	7,015	30	7,045
1977	2,973	22	3,059	910	133	6	7,075	28	7,103
1978	2,901	20	3,676	1,157	130	5	7,864	25	7,889
1979	3,338	21	4,032	1,214	160	6	8,744	27	8,771
1980	3,247	20	4,303	1,272	128	5	8,950	25	8,975
1981	3,648	23	4,699	1,248	132	5	9,727	28	9,755
1982	3,438	21	4,502	1,255	119	4	9,314	25	9,339
1983	3,449	21	4,873	1,269	147	5	9,738	26	9,764
1984	4,088	23	6,018	1,655	170	5	11,931	28	11,959
1985 2/	3/	3/	5,680	1,819	152	3/	3/	3/	3/

1/ 1970-84, data (except turkey) are for a December-November marketing year. 2/ Preliminary. 3/ Discontinued in the Poultry Production and Value report from Nat'l. Agr. Stat. Serv.

Table 11--Eggs: Production, disposition and value, 1970-85 1/ 2/

Year	Average number of layers on hand during the year	Eggs					
		Per layer on hand during year	Total	Consumed on farms where produced	Sold	Price per dozen	Gross income
	Thousands	Number	Millions			Cents	Million dollars
1970	312,759	218	68,212	953	67,259	39.1	2,220,687
1971	312,886	223	69,649	789	68,860	31.4	1,820,784
1972	304,504	227	69,219	692	68,527	30.9	1,780,881
1973	290,588	227	66,039	627	65,412	52.5	2,885,770
1974	284,732	230	65,620	580	65,040	53.2	2,909,522
1975	278,101	232	64,626	536	64,090	52.4	2,819,275
1976	274,135	235	64,511	514	63,997	58.3	3,133,364
1977	274,875	235	64,602	485	64,117	55.6	2,994,957
1978	281,544	239	67,157	468	66,689	52.2	2,920,788
1979	288,623	240	69,209	454	68,755	58.3	3,359,872
1980	287,705	242	69,686	451	69,235	56.3	3,267,563
1981	287,774	243	69,825	441	69,384	63.1	3,671,143
1982	286,369	244	69,718	427	69,291	59.5	3,458,873
1983	276,263	247	68,169	415	67,754	61.1	3,469,368
1984	278,022	245	68,230	390	67,840	72.3	4,110,920
1985 3/	276,680	247	68,407	4/	4/	57.1	3,252,519

1/ Data cover both farm and commercial operations. Revised 1980-83. 2/ December 1 previous year-November 30 following year. 3/ Preliminary. 4/ Discontinued in the Poultry Production and Value report from Nat'l. Agr. Stat. Serv.

However, with production beginning to increase, more eggs and egg products may move into storage.

Exports of shell eggs and shell equivalent of egg products during first-quarter 1986 was 26 million dozen, up from 1985. Exports of hatching eggs were down 6 percent from last year and other shell eggs were also down 26 percent. Exports of egg products were up 101 percent, mainly from increased imports by Japan. Shipments of eggs and egg products to Puerto Rico and the Virgin Islands in January and February were 5 million dozen shell and shell equivalent, down from 1985's 6 million.

Exports are expected to increase in the second half as production increases. In addition, Algeria is eligible to receive eggs under the Export Enhancement Program. This program allows exporters to sell to Algeria at competitive world prices and receive a commodity subsidy from the Commodity Credit Corporation. If all 42 million dozen allowed under the program are exported, this would be almost 1 percent of estimated 1986 production.

Value of Egg Production Declines

The Agricultural Statistics Board (formerly the Crop Reporting Board) estimated the value of egg production in 1985 at $3.25 billion, down from $4.11 billion in 1984. The number of eggs produced during the marketing year was up less than 1 percent but the farm price dropped from 72 cents in 1984 to 57 cents. California had the highest value among the States, followed by Indiana. In 1984, Georgia had the second highest value, and even though Indiana produced slightly more eggs, growers there received a lower price.

Table 12--Nonbroiler chickens: Production disposition and income, 1960-85 1/

Year	Sales		Consumed on farms		Price per pound	Value of	
	Number	Pounds	Number	Pounds		Sales	Sales plus consumption 2/
	Thousand head	Thousands	Thousand head	Thousands	Cents	Thousand dollars	
1960	181,804	866,173	83,204	297,832	12.2	105,365	140,816
1961	188,679	902,079	75,251	268,380	10.1	91,210	117,979
1962	192,298	920,132	66,256	239,266	10.2	93,453	115,986
1963	190,711	907,567	56,977	204,865	10.0	90,603	110,411
1964	194,652	936,634	48,826	179,351	9.2	85,814	101,853
1965	201,508	969,288	40,360	151,147	8.9	86,329	99,531
1966	212,170	1,031,688	33,391	123,374	9.7	99,958	111,360
1967	239,337	1,156,613	29,148	108,468	7.9	91,206	99,585
1968	225,386	1,090,428	25,604	95,957	8.2	89,580	97,225
1969	218,928	1,062,969	22,238	83,897	9.7	103,566	111,122
1970	233,316	1,120,603	19,369	73,409	9.1	102,279	108,635
1971	251,957	1,192,639	17,808	67,941	7.8	92,876	98,138
1972	234,769	1,128,813	16,110	61,724	8.9	100,634	105,789
1973	231,821	1,121,546	14,658	56,245	15.1	169,495	177,373
1974	252,365	1,202,562	14,421	55,162	9.7	116,414	121,627
1975	223,721	1,047,000	13,451	51,393	9.9	104,093	109,268
1976	217,219	1,046,091	12,775	49,595	13.0	135,539	141,818
1977	225,066	1,082,313	12,164	47,491	12.3	132,675	138,381
1978	219,860	1,050,474	11,420	44,606	12.4	130,048	135,524
1979	235,856	1,147,638	11,207	43,802	13.9	160,088	166,172
1980	238,495	1,167,017	10,795	41,776	11.0	128,268	132,807
1981	238,576	1,187,255	10,502	41,443	11.1	132,271	136,779
1982	242,027	1,158,703	10,266	40,399	10.3	118,915	122,995
1983	236,710	1,158,551	9,345	36,820	12.7	147,454	152,124
1984	224,664	1,067,729	8,677	34,246	15.9	169,732	175,220
1985 3/	220,195	1,028,348	4/	99,999	14.8	4/	152,060

1/ Beginning in 1970, data reported on December-November marketing year. 2/ Farm chickens consumed are valued at same price per pound as chickens sold. 3/ Preliminary. 4/ Discontinued in the Poultry Production and Value report from Nat'l. Agr. Stat. Serv.

Broilers

Broiler producers are expected to continue expanding production in 1986. Prices at wholesale likely will remain about steady in spite of larger supplies and increased turkey production. Smaller supplies of red meats in 1986 are expected to strengthen prices for all the meats.

Output Up in 1986

Broiler producers received positive net returns in 1985 and have been expanding their hatchery supply flocks. Data on the numbers of layers in the hatchery supply flock are not reported but an approximation is the cumulative placements 7 to 14 months earlier. These cumulative placements in 1985 were well above 1984 and through mid-1986 will be 2 percent above 1985. During third-quarter 1986, cumulative placements will be up 4 percent from 1985. Thus, the hatchery supply flock will support additional expansion in the broiler hatch and, by keeping the layers longer than the 14 months assumed, additional hatching eggs could be obtained.

Output of young chicken meat from federally inspected plants in first-quarter 1986 was up 5 percent from last year. The increase was the result of both larger birds and more birds. The number of birds slaughtered was up 4 percent and average weights increased to 4.29 pounds, up from 4.20 last year.

During February and March, the number of broiler chicks hatched was up by 3 percent from last year. These chicks, plus the April hatch, will comprise most of the second-quarter slaughter. The number of States reporting weekly data on broiler chicks placed and eggs set has been reduced from 19 major States to 12 major States because of the funding cuts under the Gramm-Rudman-Hollings balanced budget act. The weekly data suggest hatch will be up 3 to 4 percent in April. Thus, broiler production in the second quarter may be 4 percent above 1985.

If prices received for broilers turn out as expected, and costs remain the same as the first quarter or possibly decline, net returns would remain favorable. Broiler producers would have an incentive to continue expanding production through the remainder of 1986. In addition, red meat production in second-half 1986 is expected to be below 1985, and reduce competition for chicken. Under these conditions producers likely will expand production in second-half 1986 by about 5 percent from 1985.

Steady Broiler Prices

Prices for whole carcass broilers in the 12 cities during first-quarter 1986 averaged 50 cents per pound, little changed from the 51 cents of last year. Demand for broilers usually increases seasonally in the spring and summer. The increased production is expected to offset the price effects from smaller supplies of competing meats and prices for broilers may continue in the 50-cent-per-pound range.

Another factor in the stability of whole bird prices has likely been the excellent movement of further processed products. Although there is double counting in the numbers, which overemphasizes actual amounts of products, the trend in further-processed young chicken is up. In the first quarter, the number of pounds used in further processing was 22 percent above last year. The whole carcass broiler market may not be demanding as many birds as last year, which would suggest stable prices.

Exports Down in First Quarter

Exports of young chicken (whole birds and parts) in the first quarter were up 21 percent from 1985. Most of the increase was in parts, which make up the bulk of U.S. exports. Japan remained the major purchaser of young chicken, followed by Hong Kong and Singapore.

Exports of young chicken are expected to increase, and for all of 1986, may be 6 percent above 1985's 417 million pounds. One reason for the increase is the sales announced and approved under the Export Enhancement Program to Egypt. If Egypt purchases all the chicken approved, this would increase U.S. exports by 51 million pounds. Another reason for the increase is an expected rise in sales to Hong Kong.

Shipments of young chicken to Puerto Rico and the Virgin Islands during January and

February were 6 percent above a year ago. Shipments for the first quarter will likely be above 1985.

4.5 Billion Broilers Raised

The Agricultural Statistics Board recently estimated the number of broilers raised in the 1985 marketing year at 4.48 billion birds, up 5 percent from 1984. The birds were worth $5.7 billion dollars, down from $6.0 billion in 1984.

The top five broiler-producing States remained the same in both 1984 and 1985. The top State was Arkansas, followed by Georgia, Alabama, North Carolina, and Mississippi.

Table 13--Young chicken prices and price spreads, 1985-86

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
						Cents per pound							
Farm price 1/													
1985	31.1	30.9	29.7	28.5	30.0	31.5	30.3	29.5	30.5	28.4	31.7	30.0	30.2
1986	30.5	29.0	30.2	29.9									
Wholesale RTC 12-city av. 2/													
1985	52.8	51.9	49.7	47.8	50.9	53.4	50.2	50.1	52.2	48.3	53.7	48.7	50.8
1986	51.7	49.0	50.3	50.0									
4-region av. retail price													
1985	77.3	77.2	76.9	76.4	74.5	76.1	75.3	75.7	76.2	74.9	77.8	77.6	76.3
1986	76.6	77.1	76.7										
Price spreads Retail-to-cons.													
1985	20.2	20.1	21.9	23.7	18.7	17.8	18.2	19.6	18.2	20.6	19.3	22.9	20.1
1986	19.5	21.8	21.0										
							1967 = 100						
Retail pr. index Wh. chickens													
1985	214.3	216.5	215.7	215.0	209.2	213.7	211.8	212.8	214.3	210.4	216.5	221.3	214.3
1986	215.3	216.5	217.3										

1/ Live weight. 2/ Beginning May 1983, 12-city composite weighted average.

Table 14--Broilers: Eggs set and chicks placed weekly in 12 commercial States, 1984-86 1/

Period Month and day 2/	Eggs set 1984/85	Eggs set 1985/86	Eggs set Percent of previous year	Chicks placed 1984/85	Chicks placed 1985/86	Chicks placed Percent of previous year
	Thousand		Percent	Thousand		Percent
November						
16	102,140	108,016	106	71,268	75,079	105
23	101,628	108,136	106	77,611	82,591	106
30	101,377	107,604	106	78,998	81,987	104
December						
7	99,046	105,737	107	78,778	83,507	106
14	99,304	105,940	107	77,968	82,762	106
21	102,094	105,292	103	77,902	82,975	107
28	102,712	106,446	104	76,129	81,053	106
January						
14	104,169	106,470	102	76,082	81,203	107
11	103,785	105,619	102	79,576	81,270	102
18	103,439	105,496	102	80,342	82,369	103
25	100,812	105,958	105	80,879	81,874	101
February						
1	102,421	108,887	106	80,027	81,225	101
8	104,873	109,544	104	79,803	79,993	100
15	105,571	109,260	103	77,742	80,676	104
22	105,148	109,848	104	79,227	82,979	105
March						
1	105,873	109,357	103	80,947	82,851	102
8	106,290	110,042	104	82,111	83,343	102
15	105,682	109,645	104	81,925	84,099	103
22	104,360	108,286	104	83,201	85,368	103
29	106,801	110,468	103	82,707	86,500	105
April						
5	106,662	110,118	103	82,861	85,413	103
12	106,615	110,838	104	81,563	81,563	100
19	106,177	110,220	104	83,498	85,387	102
26	105,369	108,339	103	83,670	85,046	102
May						
3	106,070			84,312		
10	105,269			83,793		
17	105,443			82,532		
24	107,015			83,200		
31	106,807			82,936		
June						
7	106,854			82,668		
14	106,400			83,225		
21	104,289			82,937		
28	99,539			84,294		
July						
5	103,774			82,705		
12	104,112			80,821		
19	104,010			77,200		
26	104,382			80,847		
August						
2	103,308			80,892		
9	102,538			80,672		
16	102,022			79,759		
23	102,797			80,103		
30	101,352			79,493		
September						
6	98,230			78,820		
13	98,159			79,315		
20	94,421			77,653		
27	100,998			75,111		
October						
4	101,617			74,593		
11	99,787			71,954		
18	91,595			76,912		
25	97,589			77,582		
November						
1	106,566			76,864		
8	105,826			70,497		

1/ 12 States: Ala., Ark., Calif., Del., Fla., Ga., Md., Miss., N.C., Pa., Tex., Va. 2/ Weeks in 1985/86 and corresponding weeks in 1984/85.

Table 15--Broiler chicks hatched and pullet chicks placed in hatchery supply flocks, 1984-86

Month	Broiler-type chicks			Pullet chicks placed in broiler hatchery supply flocks					
				Monthly placements			Cumulative placements 7-14 months earlier		
	1984	1985	1986	1984	1985	1986	1984	1985	1986
	Thousands								
January	370,487	401,666	409,419	3,202	3,471	3,395	26,428	27,277	27,483
February	356,503	364,542	375,977	2,977	3,017	3,420	25,349	27,286	27,940
March	397,674	418,842	432,666	3,451	3,603	3,675	25,441	26,771	27,374
April	394,806	411,739		4,012	3,884		25,169	26,647	27,156
May	408,825	423,991		3,520	3,672		24,873	26,733	27,321
June	396,961	410,781		3,399	3,162		24,700	26,225	27,002
July	393,385	407,502		3,135	3,400		25,147	25,944	26,868
August	394,491	406,426		3,075	3,165		24,808	25,895	26,591
September	361,887	380,138		3,078	3,253		24,638	25,513	26,849
October	367,438	382,559		3,063	3,182		25,604	25,981	27,124
November	356,782	379,050		2,943	3,284		26,269	26,790	
December	394,691	416,533		3,731	3,750		26,892	27,384	

Table 16--U.S. young chicken exports to major importers January-March, 1985-1986

Country or Area	1985	1986
	1,000 Pounds	
Japan	26,527	29,120
Hong Kong	17,719	23,646
Singapore	13,537	14,780
Jamaica	10,471	10,076
Leeward-Windward Is.	4,960	7,480
Canada	3,082	6,156
Mexico	5,381	5,709
Netherlands Antilles	2,736	3,086
Federal Rep of Germany	332	2,931
Egypt	3,179	2,197
French Pacific Is.	1,485	2,049
Saudi Arabia	2,686	1,903
Barbados	1,075	1,488
Spain	0	1,213
France	0	953
Other	6,851	8,023
Total	100,020	120,811

Table 17--U.S. mature chicken exports to major importers January-March, 1985-1986

Country or Area	1985	1986
	1,000 Pounds	
Canada	805	1,141
Mexico	488	790
Pacific Is. Trust Terr.	0	456
French Pacific Is.	193	235
Leeward-Windward Is.	635	235
Suriname	0	125
Japan	3	92
Bahamas	7	71
Netherlands Antilles	364	64
Jamaica	0	40
Haiti	64	29
Bermuda	6	25
Bahrain	26	23
Barbados	46	22
Trust Terr. of Pacific Is.	437	21
Other	217	36
Total	3,291	3,406

Table 18--Estimated costs and returns, 1985-86 1/

Year	Production costs: Feed	Production costs: Total	Wholesale: Total costs 2/	Wholesale: Price 3/	Net returns
Market eggs (cts/doz)					
1985					
I	28.1	46.3	66.8	63.7	-3.1
II	28.0	46.2	66.7	61.1	-5.6
III	26.9	45.1	65.6	68.9	3.3
IV	26.0	44.2	64.7	75.9	11.2
Year 4/	27.3	45.5	66.0	67.5	1.5
1986					
I	27.0	45.2	65.7	72.0	6.3
Broilers (cts/lb)					
1985					
I	15.3	23.3	45.5	51.5	6.1
II	15.0	23.0	45.0	50.6	5.6
III	14.5	22.5	44.4	50.8	6.4
IV	13.9	21.9	43.6	50.0	6.4
Year 4/	14.7	22.7	44.6	50.7	6.1
1986					
I	14.6	22.6	44.6	50.5	5.9
Turkeys (cts/lb)					
1985					
I	22.5	36.2	61.5	69.3	7.7
II	21.8	35.5	60.7	65.4	4.7
III	21.3	35.0	60.1	78.3	18.2
IV	20.5	34.2	59.0	89.9	30.8
Year 4/	21.4	35.1	60.1	77.3	17.1
1986					
I	20.7	34.4	59.3	60.3	1.0

1/ Costs are weighted by monthly production. 2/ Based on farm cost converted to wholesale market value. 3/ Wholesale prices used are the 13-metro area egg price, 12-city weighted average broiler price, and a weighted average of 8-16 lb. young hens and 14-22 lb. toms in Central, Western, and Eastern Regions. 4/ Weighted average.

Table 19--Federally inspected young chicken slaughter, 1985-86

Year	Number	Average weight	Live-weight pounds	Certified RTC
	Million	Pounds	Million	Pounds
1985				
I	1,056	4.21	4,440	3,229
II	1,146	4.21	4,820	3,513
III	1,153	4.14	4,771	3,484
IV	1,085	4.23	4,593	3,344
Year	4,439	4.20	18,623	13,569
1986				
I	1,094	4.29	4,704	3,401

Table 20--Broilers: Production, disposition and income, 1960-85 1/

Year	Produced: Number	Produced: Pounds	Price per pound	Gross income
	Thousands		Cents	Thousand dollars
1960	1,794,933	6,017,217	16.9	1,014,084
1961	1,990,906	6,831,932	13.9	947,433
1962	2,023,373	6,907,076	15.2	1,048,826
1963	2,102,023	7,276,008	14.6	1,062,904
1964	2,161,172	7,521,269	14.2	1,070,124
1965	2,333,633	8,111,426	15.0	1,217,383
1966	2,570,516	8,988,508	15.3	1,371,006
1967	2,591,850	9,183,426	13.3	1,222,641
1968	2,619,855	9,326,341	14.2	1,325,665
1969	2,788,732	10,047,769	15.2	1,531,404
1970	2,986,769	10,818,916	13.6	1,474,710
1971	2,945,348	10,817,657	13.8	1,487,077
1972	3,074,921	11,480,101	14.1	1,622,638
1973	3,008,667	11,219,885	24.0	2,690,362
1974	2,992,820	11,320,396	21.5	2,436,224
1975	2,950,099	11,096,015	26.3	2,915,017
1976	3,273,556	12,481,136	23.6	2,945,058
1977	3,393,897	12,961,942	23.6	3,059,497
1978	3,613,647	13,999,702	26.3	3,675,628
1979	3,951,297	15,521,728	26.0	4,031,945
1980	3,963,211	15,538,573	27.7	4,302,818
1981	4,147,521	16,519,568	28.4	4,699,379
1982	4,148,970	16,759,860	26.9	4,502,214
1983	4,183,660	17,037,998	28.6	4,872,707
1984	4,282,391	17,862,944	33.7	6,017,504
1985 2/	4,478,749	18,850,790	30.1	5,680,188

1/ Beginning in 1970, data reported on December-November marketing year. 2/ Preliminary.

Table 21--Commercial broilers and turkeys: Number produced or raised by States and regions, by years, 1983-85 1/

State and region	Commercial broilers produced 1/ 2/			Turkeys raised, all breeds 7/ 3/		
	1983	1984	1985	1983	1984	1985
				Thousands		
Maine	4/	4/				
New Hampshire				26	27	28
Vermont						
Massachusetts				160	152	156
Rhode Island						
Connecticut				31	31	35
New York	610	670	1,750	332	329	314
New Jersey				85	88	88
Pennsylvania 5/	102,642	89,435	94,696	6,800	6,100	7,100
North Atlantic	103,252	90,105	96,446	7,434	6,727	7,721
Ohio	11,000	9,000	9,000	2,400	2,800	2,800
Indiana	4/	4/		6,710	6,310	6,941
Illinois				290	213	
Michigan	1,130	1,130	1,300	1,900	2,100	2,300
Wisconsin	11,270	11,500	11,200	7,115	6,120	6,150
East North Cen	23,400	21,630	21,500	18,333	17,620	18,404
Minnesota	24,400	25,600	26,900	27,000	28,500	30,400
Iowa	2,600	2,100	2,000	6,710	5,800	6,300
Missouri	4/			13,000	12,000	12,500
North Dakota				870	890	
South Dakota				1,528	1,522	1,723
Nebraska	1,250	1,050	885	639	850	
Kansas				100	275	
West North Central	28,250	28,750	29,785	49,927	49,431	52,938
Delaware	181,862	189,615	196,399	64	11	
Maryland	260,477	271,168	272,429	100	129	
Virginia	144,041	147,829	154,096	11,388	10,795	13,066
West Virginia	28,594	26,020	25,689	1,849	2,300	2,400
North Carolina	419,740	428,260	447,300	29,350	30,400	31,850
South Carolina	52,167	57,175	60,367	2,159	2,194	2,850
Georgia	626,551	636,785	677,224	2,266	2,582	2,631
Florida	97,378	96,150	104,207			
South Atlantic	1,810,810	1,853,002	1,937,711	47,406	48,435	52,937
Kentucky	3,054	2,994	3,176			
Tennessee	4/	4/				
Alabama	515,729	536,580	561,757			
Mississippi	316,304	312,170	328,732			
Arkansas	673,136	724,964	759,963	12,850	14,366	16,000
Louisiana	4/	4/				
Oklahoma	55,230	60,530	61,730	4/		
Texas	212,600	200,500	215,900	4/	4/	4/
South Central	1,776,053	1,837,738	1,931,258	12,850	14,366	16,000
Montana						
Idaho						
Wyoming						
Colorado				4/	4/	4/
New Mexico						
Arizona						
Utah				2,328	2,387	3,082
Nevada						
Washington	20,500	21,700	23,000			
Oregon	13,000	13,400	14,400	810	900	1,300
California	171,622	175,469	174,338	20,200	19,730	20,500
West	205,122	210,569	211,738	23,338	23,017	24,882
Alaska						
Hawaii	2,891	2,647	2,359			
Other States 4/	233,882	237,950	247,952	1	11,700	12,400
48 States				170,723	171,296	185,282
United States 6/	4,183,660	4,282,391	4,478,749	170,723	171,296	185,282

1/ Includes production of other meat-type breeds. 2/ December 1 through November 30 marketing year. 3/ Calendar year. 4/ Combined to avoid disclosing individual operations. 5/ Included are broilers destroyed due to the outbreak of avian influenza in 1983. 6/ Excludes States producing less than 500,000 birds and includes broilers destroyed due the outbreak of avian influenza in 1983. 7/ Does not include young turkeys lost; based on turkeys hatched September 1 of previous year through August 31, of the current year.

Turkeys

Encouraged by high prices in the fourth quarter of the past 2 years, turkey producers have been sharply increasing turkey poult placements. The resulting increased marketings in the first quarter have caused a decline in prices, which on average are expected to remain below a year ago.

Production To Increase

Output of turkey meat from federally inspected plants in first-quarter 1986 was 14 percent above 1985. The number of birds was up 14 percent and liveweights averaged nearly the same as 1985. With net returns estimated at nearly 30 cents per pound at wholesale in fourth-quarter 1985, producers had a strong incentive to increase production. Net returns slipped in first-quarter 1986, but were still above breakeven. Thus, producers have an incentive to slow expansion. Poults placed that could be slaughtered in the second quarter imply output may be up 14 to 16 percent from 1985. Poults placed in March 1986 that could be slaughtered in July were up 12 percent from last year. Also, turkey eggs in incubators on April 1 were up 10 percent from last year. Thus, third-quarter production will likely be up strongly from last year—possibly by 12 percent. Since third-quarter output is usually about the same as the fourth quarter, a similar increase in production could be expected.

Cold Storage Up

Cold storage stocks of frozen turkey on April 1 totaled 150 million pounds, up 14 percent from last year. Most of the increase was in whole birds with parts only 5 percent above last year. Producer/processors are supposedly not storing turkey because of the reportedly high interest rates quoted to agriculture-related businesses. Additional whole turkey going into commercial storage during January through February provided a price floor early in the year and much of this was pulled out for Easter consumption. The stocks on April 1 were the same as January 1, and while higher than the last 2 years, are not particularly high historically.

Prices To Increase Seasonally

Prices for commodity packed 8- to 16-pound hen turkeys in the Eastern Region during the first quarter averaged 62 cents per pound, down from 69 cents last year. The increase in supply during January and February caused the decline in price. However, for the same period, cold storage holdings began to increase, causing prices to firm and reach 64 cents per pound in March. Also whole turkey was featured for Easter by some supermarkets, which likely helped firm up prices.

Prices for young hen turkeys during second-quarter 1986 will likely trade around 64 to 67 cents per pound, near 1985's 65

Table 22—Federally inspected turkey slaughter, 1985-86

Year	Number	Average weight	Live-weight pounds	Certi-fied RTC
	Million	Pounds	Million	Pounds
1985				
I	29.7	20.47	607.4	482.1
II	40.0	19.74	789.4	628.3
III	54.0	19.86	1,072.3	854.6
IV	51.5	20.27	1,044.1	834.8
Year	175.2	20.05	3,513.2	2,799.7
1986				
I	33.9	20.40	690.9	550.9

Table 23—Turkey hatchery operations, 1984-86 1/

Month	Total turkey placed 2/		Eggs in incubators first of month, changes from previous year		
	1984-85	1985-86	1983-84	1984-85	1985-86
	- - Thousands - -		- - - Percent - - -		
Sept.	8,732	10,661	-5	12	20
Oct.	10,741	12,451	-9	9	8
Nov.	11,919	12,648	-5	8	12
Dec.	12,067	14,448	-3	3	17
Jan.	15,500	17,204	-8	15	9
Feb.	16,184	18,642	-3	6	13
Mar.	18,494	20,722	-2	6	8
Apr.	20,923		-5	1	10
May	21,926		1	4	
June	20,249		-2	1	
July	19,736		-8	3	
Aug.	15,463		-2	20	

1/ Breakdown by breed not shown to avoid disclosing individual operations. 2/ Excludes exported poults.

cents. Continued large supplies and seasonally weak demand for whole turkeys are expected to keep price movements modest and result in little actual trading. Most of the movement of turkey will likely be in further-processed products. During the first quarter, turkey used in further processing was up 16 percent from last year and continued increases are expected in the second quarter. Even with more turkey moving as further-processed products, prices of whole young hen turkeys in the second half of 1986 may average in the mid-70 cent range, off from 84 cents last year. The increase in supply is expected to cause the lower prices. However, if the turkeys being produced are scheduled for processing and few commodity turkeys are available, prices could rise sharply as in the past 2 years.

Exports About Steady

During first-quarter 1986, exports of whole turkey and parts were 5 million pounds, about the same as the 6 million in 1985. Most is exported as parts which represented 77 percent of total. The Federal Republic of Germany was the largest purchaser, followed by Canada and Egypt.

In contrast, Canada purchased more whole turkeys than parts. The weak U.S. dollar and lower turkey prices are not expected to boost exports in 1986. Egypt is short of hard currency to purchase imports and its tourist industry will be off this year. The Federal Republic of Germany in 1985 took 30 percent less U.S. turkey than in 1984, as its output increased 7 percent from 1984. West German production is expected to increase again in 1986, so imports of U.S. turkey are not expected to rise.

Shipments of turkey to Puerto Rico and the Virgin Islands during January and February were .3 million pounds, up from .2 million in 1985.

Value of Production Up

The Agricultural Statistics Board estimated the value of turkeys produced in 1985 at $1.8 billion, up from $1.7 billion in 1984. The top five States in both value and volume were North Carolina, Minnesota, California, Arkansas, and Virginia. These States produced 60 percent of the turkeys raised in 1985, down from 68 percent in 1984. The States represented 56 percent of the value in 1985, and the same as in 1984.

Table 24--Turkey prices and price spreads, 1985-86

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
						Cents per pound							
Farm price 1/													
1985	50.3	40.5	39.5	39.2	38.5	40.6	44.0	47.5	51.8	56.9	58.4	59.1	47.2
1986	35.7	36.4	36.9	38.0									
New York, hens 8-16 lbs 2/													
1985	74.0	65.6	67.0	64.6	62.6	68.1	72.8	78.4	82.4	90.2	93.1	86.9	75.5
1986	60.2	61.7	63.9										
4-region average retail price													
1985	109.1	107.3	105.3	104.4	103.0	102.9	104.0	104.4	107.3	107.5	104.2	103.1	105.2
1986	106.3	107.8	104.8										
Price spreads Retail-to-consumer													
1985	25.1	32.0	29.4	31.1	31.2	27.0	23.6	20.1	17.8	10.5	4.4	7.2	21.6
1986	33.7	36.7	32.5										
						December 1977=100							
Consumer pr. index													
1985	142.4	143.2	141.6	141.6	140.5	141.5	140.3	139.2	141.8	142.0	140.6	140.1	141.2
1986	142.1	143.2	141.4										

1/ Live weight. 2/ Wholesale, ready-to-cook.

Table 25--U.S. turkey exports to major importers January-March, 1985-1986

Country or Area	1985	1986
	1,000 Pounds	
Federal Rep of Germany	883	904
Canada	330	833
Egypt	1,843	662
Pacific Is. Trust Terr.	0	352
Western Samoa	125	312
Mexico	944	259
Japan	174	238
Hong Kong	208	231
Saudi Arabia	168	218
Bahamas	196	153
Trinidad-Tobago	87	109
Leeward-Windward Is.	131	91
Kuwait	64	87
Bermuda	30	81
Singapore	247	58
Other	654	247
Total	6,085	4,835

Table 26—Turkeys: Production and income, 1960-85 1/

Year	Number raised	Pounds produced	Price per pound	Gross income
	Thousands		Cents	Thousand dollars
1960	84,458	1,488,649	25.4	370,925
1961	107,749	1,871,494	18.9	355,826
1962	92,088	1,626,049	21.6	351,531
1963	94,063	1,686,355	22.3	377,313
1964	101,105	1,826,035	21.0	383,405
1965	105,914	1,915,331	22.2	421,295
1966	116,538	2,123,484	23.1	485,750
1967	126,577	2,343,339	19.5	459,581
1968	106,709	2,014,589	20.5	416,738
1969	106,736	2,029,315	22.4	454,115
1970	116,139	2,197,916	22.6	497,815
1971	119,657	2,255,614	22.1	499,576
1972	128,664	2,423,618	22.2	536,945
1973	132,231	2,451,848	38.2	935,882
1974	131,909	2,437,121	28.0	683,164
1975	124,165	2,276,504	34.8	793,271
1976	140,021	2,606,265	31.7	825,095
1977	136,390	2,562,825	35.5	910,396
1978	138,939	2,654,788	43.6	1,157,200
1979	156,457	2,957,612	41.1	1,214,357
1980	165,243	3,076,858	41.3	1,271,637
1981	170,875	3,264,463	38.2	1,247,803
1982	165,464	3,175,060	39.5	1,254,700
1983	170,723	3,335,519	38.0	1,269,051
1984	171,296	3,385,721	48.9	1,655,256
1985 2/	185,282	3,702,081	49.1	1,818,743

1/ Beginning in 1970, data reported on December-November marketing year. 2/ Preliminary.

LIVESTOCK AND RED MEATS

Hogs

The March *Hogs and Pigs* report showed that producers are continuing to reduce their herds. The report also showed that producers are increasing productivity with a higher percentage of the breeding herd farrowing each quarter and the number of pigs per litter increasing. As a result, the December 1985–February 1986 pig crop in the 10 quarterly reporting States was higher than a year earlier, despite a drop in the December 1 breeding herd. Based on the March market inventory and farrowing intentions, pork production is not expected to increase significantly until at least second-quarter 1987.

For all of 1985, the average farrow-to-finish producer's return above cash expenses was $4.48 per cwt of hogs produced, compared with $1.64 in 1984. Early projections indicate that returns in 1986 may be about the same as in 1985, when they covered cash expenses, but were $1.76 short of covering cash expenses and replacement costs.

Hog prices in early April dropped below $40 per cwt at the 7 markets due to large weekly slaughter after Easter. However, prices increased later in the month as weekly hog slaughter declined and USDA began purchasing additional red meat as mandated in the Food Security Act of 1985. Currently, farrow-to-finish costs of production are in the mid-$40's. So, returns are below costs of production, but are expected to improve later this year as hog prices increase and feed costs fall.

1986 Pork Production Expected To Decline 2 Percent

All hogs and pigs on March 1 in the 10 quarterly reporting States totaled 38.6 million head, 3 percent below last year and the lowest March 1 inventory since 1976. The breeding inventory totaled 4.99 million head, 4 percent below last year and 8 percent below March 1, 1984. This was the lowest March 1 breeding herd inventory since 1973, when estimates for the 10 States became available. The market hog inventory totaled 33.6 million, down 2

percent from a year ago, and the lowest March 1 market inventory since 1977. Among the 10 States, Ohio had the largest percentage increase in the breeding inventory, up 9 percent, closely followed by Nebraska, up 7 percent. Georgia and Iowa had the largest declines, 9 percent.

During December 1985–February 1986, the number of sows farrowing declined 1 percent from a year ago. The litter rate was 7.67 pigs, a record high for the quarter, and compared with the previous record 7.51 last year. The record litter was largely due to the continuation of improved management and genetics, as well as a year with generally favorable weather conditions. Because of the record litter rate, the December 1985–February 1986 pig crop was up 1 percent from last year.

As of March 1, hog producers in the 10 quarterly reporting States intended to have 4 percent fewer sows farrow in March–May than a year ago and about the same number as a year ago in June–August. In December, producers indicated intentions to have about the same number of sows farrow in March–May as a year ago. The litter rate is expected to increase in both quarters from year–ago levels. So, the pig crop in March–August may be almost the same as a year ago.

Due to continuing financial problems, partially associated with declining land values, producers are expected to meet some of their cash needs for planting crops and debt service this spring by continuing to sell a larger proportion of their gilts. The June–August intended sow farrowings and an upward trend

Table 27--Hogs on farms March 1, farrowings and pig crops, 10 States 1/

Item	1980	1981	1982	1983	1984	1985	1986	1986/85
				1,000 head				% change
Inventory	48,435	45,275	40,670	42,250	40,070	39,680	38,600	-3
Breeding	7,148	6,485	5,594	6,011	5,446	5,220	4,988	-4
Market	41,787	38,790	35,076	36,239	34,624	34,460	33,612	2
Under 60 lb	16,009	14,446	12,773	13,822	12,437	12,701	12,663	0
60-119 lb	9,898	9,457	8,777	9,048	8,561	8,427	8,013	5
120-179 lb	9,358	8,641	7,823	7,759	7,769	7,580	7,276	4
180 + lb	6,522	6,246	5,703	5,610	5,857	5,752	5,660	-2
Sows farrowing								
December 2/-February	2,428	2,192	2,027	2,154	1,964	1,955	1,940	-1
March-May	2,988	2,750	2,411	2,782	2,481	2,420	3/2,320	-4
December 2/-May	5,416	4,942	4,438	4,936	4,445	4,375	4/4,260	-3
June-August	2,517	2,461	2,227	2,422	2,259	2,191	3/2,182	0
September-November	2,620	2,427	2,397	2,377	2,316	2,265		
June-November	5,137	4,888	4,624	4,799	4,575	4,456		
Pig crops								
December 2/-February	17,420	15,863	14,438	16,040	14,288	14,690	14,880	+1
March-May	21,889	20,746	18,096	21,194	18,814	18,762		
December 2/-May	39,309	36,609	32,534	37,234	33,102	33,452		
June-August	18,077	18,134	16,460	17,836	17,158	17,255		
September-November	19,022	17,917	17,803	17,663	17,420	34,196		
June-November	37,099	36,051	34,263	35,499	34,578			
				Number				
Pigs per litter								
December 2/-February	7.17	7.24	7.12	7.45	7.27	7.51	7.67	+2
March-May	7.33	7.54	7.51	7.62	7.58	7.75		
December 2/-May	7.26	7.41	7.33	7.54	7.45	7.65		
June-August	7.18	7.37	7.39	7.36	7.60	7.73		
September-November	7.26	7.38	7.43	7.43	7.52	7.62		
June-November	7.22	7.38	7.41	7.40	7.56	7.67		

1/ Georgia, Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Carolina, and Ohio.
2/ December preceding year. 3/ Intentions. 4/ Intentions for March-May.

in the percentage of the breeding herd farrowing imply that the breeding herd will increase about 335,000 head from March 1 to June 1. Although 1985 was a herd reduction year, the June 1 breeding herd totaled 177,000 head more than on March 1. Thus, no major shift in gilt retention patterns is needed during March–May to carry out producers' March 1 intentions.

Hog slaughter in the second quarter will be drawn largely from the inventory of market hogs weighing 60–179 pounds on March 1, which was down 4 percent from a year ago. Consequently, commercial slaughter may be down 3 to 5 percent from a year ago. The average dressed weight is expected to be about the same as 1985's 175 pounds. In April, barrows and gilts at the 7 markets averaged a pound (live weight) below last year. In addition, barrow and gilt weights were relatively heavy in May and June 1985. However, the lighter barrows and gilts may be offset by a larger percentage of sows in the total slaughter during the quarter and heavier sow weights. Thus, second–quarter commercial production is estimated at 3,575 million pounds, down 4 percent from a year ago.

Hog slaughter in the third quarter will be drawn from market hogs weighing under 60 pounds on March 1. This weight group was unchanged from a year earlier. Last year, commercial slaughter was greater than indicated from historical relationships of slaughter to market hog inventories and the December–February pig crops. This year, slaughter is expected to more closely follow the historical relationships. So, commercial slaughter is expected to be 1 to 3 percent below last year. Commercial production is projected at 3,500 million pounds, down 1 percent from a year earlier.

The March–May pig crop is the principal source of fourth–quarter slaughter. If producers follow their March 1 intentions and pigs per litter rise slightly, commercial slaughter may be 1 to 3 percent below a year ago. If producers' returns increase as expected this summer and the outlook is for continuing positive returns over the next year, some gilt retention may occur. Commercial production is forecast to total 3,750 million pounds, down 2 percent from a year earlier.

Prices To Decline Slightly from a Year Ago

Hog prices at the 7 major markets dropped $6 per cwt from late January to early April. Part of the decline was due to the seasonal increase in slaughter. Other contributing factors were larger year–over–year broiler and beef production and increased pork product imports.

Hog prices will likely rise later this spring as slaughter declines seasonally. Continued large beef and broiler production and large imports of pork products will put downward pressure on hog prices. However, stocks of pork in cold storage at the end of March were 20 percent below a year ago, which will be a strengthening factor. Little price strength is expected from the continuing sluggish economy. Also, consumers will likely increase the share of their incomes spent on durable goods during the quarter. Prices are expected to average $40 to $43 per cwt in the second quarter.

Prices are expected to average $42 to $48 per cwt in the third quarter, compared with $44 last year. Beef production is expected to drop below year–earlier levels this summer. Also, USDA will be purchasing additional red meat for domestic feeding and export use under the Dairy Termination Program. These factors, along with the seasonal decline in pork production, should strengthen prices.

Pork production is expected to rise about 7 percent in the fourth quarter over the third. Based on seasonality indexes computed on 1975–84 data, production normally rises 15 percent. With lower year–over–year beef production, hog prices are expected to average about the same as in the third quarter.

Foreign Trade Developments

During January–March, live hogs imported from Canada totaled 146,568 head, compared with 540,114 head a year ago. The reduction is in response to the $4.386 (Can.) countervailing duty per cwt assessed on live hogs. For all of 1986, Canada may export 500,000 to 750,000 live hogs to the United States, about half of 1985's total.

During January–March 1986, pork imports totaled 279 million pounds (carcass weight),

down 11 percent from a year earlier. The largest exporters of pork products to the United States are Canada and Denmark. Canada increased exports to the United States by 6 million pounds, while Denmark's declined 26 million pounds. The Canadian dollar has slipped in recent months relative to the U.S. dollar, making Canadian meat cheaper in U.S. currency. However, the Danish krone has strengthened and the EC has reduced its export subsidy, both factors making Danish pork imports more expensive here. At press time, any impact of radiation from the USSR nuclear accident on Danish and East European pork production and trade.

Productivity Gains Have Been Steady

As hog operations have become larger, output per breeding animal has increased, resulting in larger meat output from the same size breeding herd. During December 1984–May 1985, the breeding herd produced an average of 6.13 pigs per breeding animal. In contrast, only 5.42 pigs per breeding animal were produced in December 1979–May 1980. The output per breeding animal in 1985 as a whole was 13 percent higher than in 1980. During June–November 1985, 6.21 pigs were produced per breeding animal, compared with 5.21 in 1980--an increase of 19 percent.

Table 28--Sow slaughter balance sheet, 10 States

Item	1983	1984	1985	1986
	Million head			
December 1 breeding 1/	5.7	5.6	5.3	5.3
December-February				
Comm. sow slaughter 2/	.7	.8	.8	.8
Gilts added	1.0	.6	.7	.5
March 1 breeding	6.0	5.4	5.2	5.0
March-May				
Comm. sow slaughter 2/	.7	.7	.7	
Gilts added	1.0	1.1	.9	
June 1 breeding	6.3	5.8	5.4	
June-August				
Comm. sow slaughter 2/	1.0	.9	.8	
Gilts added	.5	.7	.8	
September 1 breeding	5.8	5.6	5.4	
September-November				
Comm. sow slaughter	1.0	.9	.8	
Gilts added	.8	.6	.7	

1/ December previous year. 2/ 75 percent of estimated U.S. commercial sow slaughter.

Table 29--Federally inspected hog slaughter

Week ended	1984	1985	1986
	Thousands		
Jan. 1 1/	1,350	1,238	1,153
7	1,418	1,295	1,250
14	1,708	1,679	1,635
21	1,625	1,615	1,654
28	1,577	1,528	1,563
Feb. 5	1,543	1,565	1,506
12	1,571	1,582	1,526
19	1,578	1,508	1,512
26	1,579	1,539	1,501
Mar. 5	1,656	1,608	1,606
12	1,791	1,635	1,635
19	1,691	1,638	1,650
26	1,681	1,647	1,556
Apr. 2	1,695	1,642	1,579
9	1,695	1,569	1,518
16	1,728	1,623	
23	1,642	1,676	
30	1,588	1,662	
May. 7	1,635	1,702	
14	1,664	1,699	
21	1,579	1,705	
28	1,578	1,580	
June 4	1,367	1,361	
11	1,591	1,592	
18	1,541	1,561	
25	1,431	1,535	
July 2	1,438	1,476	
9	1,105	1,171	
16	1,445	1,523	
23	1,378	1,427	
30	1,305	1,400	
Aug. 6	1,382	1,474	
13	1,406	1,556	
20	1,409	1,524	
27	1,479	1,531	
Sept. 3	1,502	1,601	
10	1,396	1,429	
17	1,657	1,690	
24	1,679	1,667	
Oct. 1	1,679	1,681	
8	1,699	1,644	
15	1,701	1,686	
22	1,754	1,620	
29	1,736	1,654	
Nov. 5	1,754	1,668	
12	1,742	1,654	
19	1,681	1,654	
26	1,446	1,697	
30	1,812	1,328	
Dec. 3	1,792	1,656	
10	1,692	1,566	
17	1,687	1,655	
24	1,238	1,153	

1/ Corresponding dates-1984: December 31, 1983; 1985: December 29, 1984.

During December 1985–February 1986, pigs per animal were up 3 percent from the year before.

If productivity continues to rise, a modest increase in pork production could be achieved with a stable breeding herd. Thus, the next expansion in pork production is likely to be more of a productivity increase than a buildup of hog breeding numbers.

Retail Prices Rise

The retail composite pork price averaged $1.68 per pound in January–March, up 3 cents from a year earlier. The farm-to-retail spread averaged 98 cents per pound, up 8 cents. For all of 1986, retail prices are expected to average around $1.65. The farm-to-retail spread may increase 3 to 5 percent over 1985's 91 cents.

Table 30--Feeder pig prices consistent with break-even, given corn and market hog prices 1/

Corn (farm price)	Barrow and gilts, $/cwt 35	40	45	50	55	60	65
$/bu	Feeder pigs, $ per head						
1.25	21	32	43	54	65	76	87
1.50	18	30	41	52	63	74	84
1.75	16	27	38	49	60	71	82
2.00	13	24	35	46	57	68	79
2.25	10	21	32	43	54	65	76
2.50	8	18	30	41	52	62	74

1/ Assuming protein and other costs at February 1986 levels.

Table 31--Corn Belt hog feeding: Selected costs at current rates 1/

Purchased during: Marketed during:	Feb. June	Mar. July	Apr. Aug.	May Sept.	June Oct.	July Nov.	Aug. Dec.	Sept. Jan. 86	Oct. Feb.	Nov. Mar.	Dec. Apr.	Jan. 86 May	Feb. June	Mar. July
EXPENSES: ($/head)														
40-lb feeder pig	44.02	46.31	43.76	39.39	36.74	32.74	34.17	31.11	36.49	31.67	28.65	30.96	37.26	41.33
Corn (11 bu)	28.60	29.26	29.59	29.26	28.93	28.49	26.62	24.86	23.10	24.09	24.53	25.08	25.08	25.08
Protein supplement (130 lb)	16.64	15.86	15.67	14.89	14.56	14.89	15.28	15.28	16.06	16.51	24.70	16.90	16.71	16.90
Total feed	45.24	45.12	45.26	44.15	43.49	43.38	41.90	40.14	39.16	40.60	49.23	41.98	41.79	41.98
Labor & management (1.3 hr) 2/	10.83	10.83	10.83	10.83	10.83	10.83	10.83	10.83	10.83	10.83	10.83	10.83	10.83	10.83
Vet medicine 2/	2.68	2.68	2.69	2.69	2.68	2.66	2.66	2.65	2.64	2.66	2.64	2.66	2.65	2.65
Interest on purchase (4 months)	2.00	2.10	1.96	1.77	1.65	1.41	1.47	1.34	1.56	1.35	1.22	1.31	1.58	1.75
Power, equip., fuel, shelter, depreciation 2/	6.51	6.51	6.53	6.53	6.50	6.47	6.46	6.43	6.43	6.46	6.43	6.46	6.45	6.45
Death loss (4% of purchase)	1.76	1.85	1.75	1.58	1.47	1.31	1.37	1.24	1.46	1.27	1.15	1.24	1.49	1.65
Transportation (100 miles)	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48
Marketing expenses	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Miscell. & indirect costs 2/	.67	.67	.67	.67	.67	.66	.66	.66	.66	.66	.66	.66	.66	.66
Total	115.32	117.69	114.96	109.21	105.64	101.09	101.14	96.02	100.84	97.11	102.43	97.71	104.32	108.93
SELLING PRICE REQUIRED TO COVER: ($/cwt)														
Feed and feeder costs (220 lb)	40.57	41.56	40.42	37.97	36.47	34.60	34.58	32.38	34.38	32.85	35.40	33.15	35.93	37.87
All costs (220 lb) $/cwt	52.42	53.49	52.26	49.64	48.02	45.95	45.97	43.65	45.84	44.14	46.56	44.42	47.42	49.51
Feed cost per 100-lb gain (180 lb)	25.13	25.07	25.14	24.53	24.16	24.10	23.28	22.30	21.75	22.56	27.35	23.32	23.21	23.32
Barrows and gilts 7 markets $/cwt	45.68	46.99	43.50	40.38	44.09	44.14	46.91	45.48	43.55	40.88				
Net margin $/cwt	-6.74	-6.50	-8.76	-9.26	-3.93	-1.81	0.94	1.83	-2.29	-3.26				
PRICES:														
40-lb feeder pig (So. Missouri) $/head	44.02	46.31	43.67	39.39	36.74	32.74	34.17	31.11	36.49	31.67	28.65	30.96	37.26	41.33
Corn $/bu 3/	2.60	2.66	2.69	2.66	2.63	2.59	2.42	2.26	2.10	2.19	2.23	2.28	2.28	2.28
Protein supp. (38-42%) $/cwt 4/	12.80	12.20	12.05	11.45	11.20	11.45	11.75	11.75	12.35	12.70	19.00	13.00	12.85	13.00
Labor & management $/hr 5/	8.33	8.33	8.33	8.33	8.33	8.33	8.33	8.33	8.33	8.33	8.33	8.33	8.33	8.33
Interest rate (annual)	13.61	13.61	13.48	13.48	13.48	12.93	12.93	12.93	12.79	12.79	12.79	12.70	12.70	12.70
Transportation rate $/cwt (100 miles) 6/	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22
Marketing expenses $/cwt 7/	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Index of prices paid by farmers (1910-14=100)	1130.00	1130.00	1133.00	1133.00	1129.00	1124.00	1122.00	1117.00	1116.00	1121.00	1116.00	1121.00	1119.00	1120.00

1/ Although a majority of hog feeding operations in the Corn Belt are from farrow to finish, relative fattening expenses will be similar. Costs represent only what expenses would be if all selected items were paid for during the period indicated. The feed rations and expense items do not necessarily coincide with the experience of individual feeders. For individual use, adjust expenses and prices for management, production level, and locality of operation. Revisions have been made per annual Agricultural Prices.
2/ Adjusted monthly by the index of prices paid by farmers for commodities, services, interest, taxes, and wage rates. 3/ Average price received by farmers in Iowa and Illinois. 4/ Average prices paid by farmers in Iowa and Illinois. 5/ Assumes an owner-operator receiving twice the farm labor rate. 6/ Converted from cents/mile for a 44,000-pound haul. 7/ Yardage plus commission fees at a Midwest terminal market. *Preliminary.

Cash Receipts Dropped in 1985

Cash receipts for hogs and pigs were $9.01 billion during 1985, down 7 percent from 1984 and the lowest since 1980. Hogs and pigs accounted for 24 percent of cash receipts from meat animal marketings. The average U.S. price received by farmers in 1985 was $44.00, down from $47.10 in 1984. Marketings totaled 20.3 billion pounds, 1 percent below 1984. Among the States, Iowa accounted for 27 percent of total receipts followed by Illinois with 11 percent.

Table 32--Commercial hog slaughter 1/ and production

Year	Barrows and gilts	Sows	Boars	Total 2/	Average dressed weight	Commercial production 2/
	- - - 1,000 head	- - -			Pound	Million pound
1983:						
I	19,141	852	219	20,212	172	3,483
II	20,267	1,053	246	21,666	174	3,771
III	19,648	1,450	274	21,372	171	3,657
IV	22,808	1,291	235	24,334	173	4,206
Year	81,864	4,646	974	87,584	173	15,117
1984:						
I	20,548	1,024	234	21,806	171	3,738
II	19,885	989	249	21,123	174	3,670
III	18,072	1,184	240	19,496	172	3,355
IV	21,310	1,197	236	22,743	174	3,957
Year	79,815	4,394	959	85,168	173	14,720
1985:						
I	19,728	928	217	20,873	173	3,618
II	20,166	947	225	21,338	175	3,743
III	19,262	1,075	222	20,559	173	3,553
IV	20,423	1,065	211	21,699	176	3,814
Year	79,579	4,015	875	84,469	174	14,728
1986: 3/						
I	19,232	919	187	20,340	175	3,565

1/ Classes estimated. 2/ Totals may not add due to rounding. 3/ Preliminary.

Table 33--Federally inspected cattle slaughter

Week ended	Cattle			Steers			Cows: Total			Cows: Dairy			Cows: Dairy as percent of total		
	1984	1985	1986	1984	1985	1986	1984	1985	1986	1984	1985	1986	1984	1985	1986
	Thousands												Percent		
Jan. 1 1/	589	522	521	292	241	243	133	109	115	--	38	45	—	35	39
8	606	553	591	277	247	269	164	129	137	84	50	58	51	38	42
15	699	736	756	325	323	343	180	183	189	90	70	79	50	38	42
22	707	741	755	339	355	321	163	153	176	87	61	72	53	40	41
29	693	679	704	333	327	308	169	140	153	90	52	67	53	37	44
Feb. 5	657	666	669	318	313	307	159	146	143	89	60	62	56	41	43
12	689	672	655	344	313	301	150	133	144	81	58	64	54	44	44
19	683	657	651	425	301	289	153	146	122	79	59	58	51	40	48
26	666	670	638	318	311	318	146	142	126	77	59	59	52	41	47
Mar. 5	684	680	676	329	323	297	139	131	136	72	60	64	52	46	47
12	675	678	637	324	332	304	145	127	130	69	55	62	48	44	48
19	689	676	638	342	311	305	143	137	128	68	60	61	48	44	48
26	644	622	646	319	289	295	134	128	131	67	56	61	50	44	46
Apr. 2	650	620	641	312	282	315	139	124	135	67	55	64	48	44	47
9	631	612	669	301	264	354	135	118	148	65	54	97	48	46	57
16	662	640		328	286		143	119		62	53		43	44	
23	651	659		322	322		148	127		60	52		41	42	
30	655	681		322	320		147	123		57	49		39	40	
May 7	666	684		332	344		149	115		56	48		37	42	
14	712	686		361	336		145	116		55	46		38	40	
21	730	711		368	356		152	120		53	47		35	39	
28	743	689		364	335		155	130		55	49		35	38	
June 4	642	600		317	288		132	113		46	41		35	36	
11	720	662		361	328		149	125		51	44		34	36	
18	722	673		363	344		150	110		52	42		35	38	
25	706	684		336	338		155	121		53	44		35	37	
July 2	708	685		333	328		157	131		52	47		33	36	
9	605	559		285	294		112	84		38	32		34	38	
16	742	707		337	334		168	131		58	50		34	38	
23	705	697		317	324		164	140		55	48		34	34	
30	680	678		313	331		152	119		52	45		34	38	
Aug. 6	696	659		327	319		158	114		57	46		36	40	
13	710	683		323	324		161	102		57	44		35	41	
20	701	705		322	327		153	128		52	50		34	39	
27	717	720		317	338		171	136		62	52		36	38	
Sept. 3	745	706		329	334		175	133		62	53		36	40	
10	653	613		296	295		144	110		53	46		37	41	
17	748	726		338	332		176	136		63	54		36	40	
24	745	714		343	346		174	128		59	52		34	41	
Oct. 1	710	690		316	310		169	137		58	58		34	42	
8	733	671		321	289		167	148		56	61		34	41	
15	729	692		305	300		175	147		61	57		35	39	
22	731	674		313	293		176	155		62	60		35	39	
29	701	678		312	299		179	159		62	61		34	38	
Nov. 5	700	633		309	273		187	155		63	60		34	39	
12	683	666		298	292		175	167		58	66		33	40	
19	694	666		308	283		176	174		60	68		34	39	
26	577	655		261	289		139	166		49	66		35	40	
Dec. 3	711	550		298	255		194	130		72	50		37	38	
10	701	653		284	281		191	170		69	68		36	40	
17	733	680		305	290		186	193		63	75		34	39	
24	702	670		305	297		175	167		62	68		36	41	

1/ Corresponding date--1984: December 31, 1983; 1985: December 29, 1984; 1986; December 18, 1985.

Table 34--Commercial cattle slaughter 1/ and production

Year	Steers and heifers: Fed	Steers and heifers: Nonfed	Steers and heifers: Total	Cows	Bulls and stags	Total 2/	Average dressed weight	Commercial production 2/
	--- 1,000 head ---						Million	Million pounds
1983:								
I	6,419	424	6,843	1,701	188	8,732	633	5,527
II	6,367	581	6,948	1,694	209	8,851	628	5,556
III	6,799	621	7,420	1,908	220	9,548	630	6,015
IV	6,167	866	7,033	2,294	191	9,518	626	5,962
Year	25,752	2,492	28,244	7,597	808	36,649	629	23,060
1984: 3/								
I	6,467	457	6,924	2,080	165	9,169	623	5,710
II	6,476	660	7,136	1,998	209	9,343	623	5,820
III	6,556	620	7,176	2,169	217	9,562	622	5,952
IV	6,259	677	6,936	2,372	198	9,508	624	5,936
Year	25,758	2,431	28,172	8,621	789	37,582	623	23,418
1985:								
I	6,678	208	6,886	1,879	171	8,936	637	5,691
II	6,636	561	7,197	1,630	195	9,022	656	5,917
III	6,886	578	7,464	1,691	197	9,352	659	6,166
IV	5,893	699	6,592	2,191	195	8,978	643	5,774
Year	26,093	2,046	28,139	7,391	758	36,288	649	23,548
1986:								
I	6,464	371	6,835	1,884	165	8,884	649	5,769

1/ Classes estimated. 2/ May not add due to rounding. 3/ Preliminary.

Cattle

Slaughter weights for cattle have remained high throughout the first 4 months of 1986, resulting in increased beef production and downward pressure on prices. First-quarter beef production rose 1 percent above a year earlier while commercial slaughter remained about even with a year ago. Federally inspected dressed cattle weights for the period averaged 656 pounds, a 13-pound increase. A large share of the increase in average dressed weights resulted from continued heavy slaughter weights for heifers. Dressed weights for federally inspected heifers for the first quarter averaged 642 pounds, a first-quarter record and 14 pounds higher than last year's high. At the same time, steer weights averaged 722 pounds, compared to 711 pounds a year ago. In addition to continued large beef supplies during the first quarter, total red meat and poultry production was 2 percent higher than a year earlier.

Large meat supplies will likely continue to hamper the cattle industry through the second quarter. Cattle feeders in the Texas--Oklahoma Panhandle region sold 8 percent more cattle out of feedlots during April than a year earlier. This will be positive for second-quarter production as cattle feeders are likely now fairly current with marketings. Beef production may be the same as or down slightly from a year earlier even with a large number of dairy cows from the Dairy Termination Program being sent to slaughter this spring. But, with the increased number of dairy cows in the slaughter mix, dressed slaughter weights will still likely increase during the second quarter. Dairy cows weighing around 1,300 pounds and with a

Table 35--7-States cattle on feed, placements, and marketings

Year	On feed	Change from previous year	Net placements	Change from previous year	Marketings	Change from previous year	Other disappear-ance	Change from previous year
	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent
1984								
Jan.	8,006	-3.7	1,480	+8.5	1,569	-3.6	86	-33.8
Feb.	7,917	-1.7	1,219	+16.9	1,621	+8.7	82	-32.2
Mar.	7,515	-1.2	1,647	+30.0	1,594	-0.6	117	-14.6
Apr.	7,568	+4.1	1,331	-6.5	1,523	+3.6	184	+28.7
May.	7,376	+2.1	1,579	-6.5	1,637	+3.7	219	+46.0
June	7,318	-0.2	1,351	-10.9	1,544	-1.7	94	+20.5
July	7,125	-2.1	1,239	+14.7	1,553	+3.7	84	-10.6
Aug.	6,811	-0.7	1,619	+8.4	1,683	+1.9	61	-30.7
Sept.	6,747	+0.6	2,184	+13.2	1,489	-11.5	81	+14.1
Oct.	7,442	+7.1	2,436	+3.3	1,657	+1.9	110	+7.8
Nov.	8,221	+7.0	1,824	+14.7	1,501	+2.9	121	0.0
Dec.	8,544	+9.3	1,487	-9.2	1,414	-2.1	137	+15.1
1985								
Jan.	8,635	+7.6	1,331	-10.1	1,782	+13.6	118	+37.2
Feb.	8,184	+3.4	1,247	+2.3	1,540	-5.0	94	+14.6
Mar.	7,891	+5.0	1,494	-9.3	1,559	-2.2	98	-16.2
Apr.	7,826	+3.4	1,283	-3.6	1,603	+5.3	133	-27.7
May	7,506	+1.8	1,548	-2.0	1,604	-2.0	128	-41.6
June	7,450	+1.8	1,184	-12.4	1,577	+2.1	87	-7.4
July	7,057	-1.0	1,017	-17.9	1,670	+7.5	61	-27.4
Aug.	6,404	-6.0	1,448	-10.6	1,697	+0.8	62	+1.6
Sept.	6,155	-8.8	1,909	-12.6	1,603	+7.7	79	-2.5
Oct.	6,461	-13.2	2,694	+10.6	1,573	-5.1	85	-22.7
Nov.	7,582	-7.8	1,690	-7.3	1,380	-8.1	76	-37.2
Dec.	7,892	-7.6	1,369	-7.9	1,401	-0.9	111	-19.0
1986								
Jan.	7,860	-9.0	1,504	+13.0	1,740	-2.4	77	-34.7
Feb.	7,624	-6.8	1,210	-3.0	1,470	-4.6	102	+8.5
Mar.	7,262	-8.0	1,650	+10.4	1,563	+.2	86	12.2

dressing percentage of 52 percent, would result in a dressed carcass weight of about 676 pounds, nearly as heavy as an 1,100-pound fed steer dressing at 62 percent. The number of heifers in the slaughter mix will also remain fairly high but many of these will be nonfed dairy heifers, so heifer weights should decline somewhat.

Fed Beef Supplies To Decline

Cattle feeders in the 7 States reporting monthly placed 13 percent more cattle on feed during January this year than a year earlier, but they reduced placements during the remainder of the quarter. Net placements in the 13 quarterly reporting States for the first quarter were about even with the low levels a year earlier. The lull in cattle feeding activity was again a result of losses incurred on cattle marketed during the latter two-thirds of the quarter as well as feeders' pessimistic expectations for fed cattle prices during the second half of the year.

Fed cattle marketed out of feedlots reporting quarterly during first-quarter 1986 also fell 3 percent from a year earlier. First-quarter marketings last year were the highest since 1979, so this year's 13-State marketing number may not be as disappointing as the percentage decline would suggest. Feeders marketed 59 percent of the January 1 cattle on feed inventory, compared with 55 percent a year ago. However, the high slaughter weights still indicate cattle feeders were not sufficiently current with marketings to avoid the first quarter's weak prices. Feeders must stay current with fed marketings and hold weights down if they are to be flexible during periods of large meat supplies and low prices.

Feedlot placements in the second quarter will likely only increase 4 to 6 percent above last year's low number when a severe backlog was hindering the industry. This would leave placements during first-half 1986 up only about 1 percent from a year ago. These low placements should result in a sharp drop in second-half fed marketings and thus, lower beef production. This scenario is further supported by a low inventory of cattle on feed. The number of cattle on feed on April 1 in the 13 quarterly reporting States was down 8 percent from a year earlier. Inventories will likely remain below a year earlier through the remainder of the year.

Fourth-quarter beef production may drop 5 to 7 percent from a year earlier and total meat production may be down about 1 percent. This should result in a stronger cattle market with Omaha Choice steers possibly averaging in the low to mid-$60's during the fourth quarter, well above the first-quarter average of $57.22.

Cattle Feeding Likely To Pick Up in Fourth Quarter

With higher Choice steer prices and lower grain prices, cattle feeding will likely increase in the fourth quarter. Placements may still be down somewhat from 1985's fall quarter, but will likely be in line with historical fourth-quarter levels. With reduced, but still adequate feeder cattle supplies and a possible 50-cent-per-bushel decline in corn prices to about $1.90 per bushel, feeder cattle prices are likely to be bid up from current levels. Feeder cattle supplies on April 1 were down 5

Table 36--Cattle on feed, placements, and marketings, 13 States

Item	1984	1985	1986	1986/85
	- - 1,000 head - -			% change
On feed Jan. 1	9,908	10,653	9,694	-9
Placements, Jan.-Mar.	5,511	5,315	5,260	-1
Marketings, Jan.-Mar.	5,714	5,907	5,723	-3
Other disappearance Jan.-Mar.	365	373	316	-15
On feed Apr. 1	9,340	9,688	8,915	-8
Steer & steer calves	5,961	5,961	5,581	-6
-500 lb	183	169	129	-24
500-699 lb	1,020	851	755	-11
700-899 lb	2,038	2,043	2,024	-1
900-1,099 lb	2,070	2,051	1,896	-8
1,100 + lb	650	847	777	-8
Heifers & heifer calves				
-500 lb	139	104	84	-19
500-699 lb	1,121	1,200	811	-32
700-899 lb	1,357	1,524	1,478	-3
900 + lb	725	856	918	+7
Cows				
Marketings, Apr.-June 1/	5,620	5,787	5,727	-1

1/ 1985 intentions.

percent from a year ago. Yearling supplies remained 7 percent above a year earlier with the slowdown in placements on feed, but the number of calves outside feedlots continued to drop sharply with lower calf crops and increased calf slaughter. Calves outside feedlots were down 8 percent from a year earlier on April 1. Kansas City yearling steers averaged $62.60 during the first quarter and may only average $57 to $63 during the second quarter with the expected slack feeder cattle demand.

Each 25-cent drop in corn prices results in about a possible $2 increase in bid prices for feeder cattle, all other things held constant. So yearling steer prices could rise to the mid-to-upper $60's this fall.

Cow Slaughter To Increase

Commercial cow slaughter, at 1.885 million head during the first quarter, was about unchanged from a year earlier. Second-quarter slaughter will be substantially increased by additional dairy cows as well as the likelihood of a continued large number of beef cows being sent to slaughter due to cash flow problems on mixed crop-livestock operations as well as operations with cattle as the sole enterprise. This may cause cow slaughter to rise about 20 to 25 percent above a year earlier during the second quarter, to levels comparable to spring 1984. Cow slaughter is expected to decline from second-quarter levels during the third quarter, but will likely stay above the lower levels of a year earlier.

Total federally inspected cow slaughter in the first 2 weeks of April was 28 percent higher than a year ago. Of the total cow slaughter, dairy cow slaughter in these 2 weeks was up 74 percent, while beef cow slaughter declined 9 percent from 1985's high level.

Prices To Remain Soft Through Second Quarter

Cattle prices are likely to remain weak through the second quarter, but may begin to strengthen in the third quarter as meat supplies begin to decline below year-earlier levels. The decline is expected to last well into 1987.

Omaha Choice steer prices may average only $55 to $58 during the second quarter, with the possibility of strengthening to the low $60's by midsummer. If beef production drops further during the fourth quarter, steer prices

Table 37—13-States cattle on feed, placements, marketings, and other disappearance 1/

Year	Cattle on feed 2/	Change previous year	Placed on feed	Change previous year	Fed cattle marketed	Change previous year	Other disappear-ance	Change previous year
	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent
1983:								
I	10,271	13.8	5,027	-9.8	5,694	4.6	451	33.0
II	9,153	3.8	5,894	2.0	5,527	6.1	450	10.0
III	9,070	1.0	5,584	-4.5	5,891	2.0	298	17.3
IV	8,465	-3.8	7,272	+.8	5,436	1.2	393	6.2
Year	---	---	23,776	-2.6	22,548	3.4	1,592	16.0
1984:								
I	9,908	-3.5	5,511	+9.6	5,714	+.4	365	-19.1
II	9,340	+2.0	5,562	-5.7	5,620	+1.7	582	+29.3
III	8,700	-4.1	6,252	12.0	5,684	-3.5	268	-10.1
IV	9,000	+6.3	7,592	3.9	5,522	1.6	417	6.1
Year	---	---	24,917	4.8	22,540	+.1	1,632	2.5
1985:								
I	10,653	+7.3	5,315	-3.6	5,907	3.4	373	2.2
II	9,688	+3.6	5,206	-6.4	5,787	+3.0	437	-24.9
III	8,670	-.4	5,480	-12.4	5,969	+5.0	244	-9.0
IV	7,937	-11.8	7,305	-3.8	5,224	-5.4	324	-22.3
Year	---	---	23,306	-6.5	22,887	+1.5	1,378	15.6
1986:								
I	9,694	-9.0	5,260	-1.0	5,723	-3.1	316	-15.3
II	8,915	-8.0						

1/ Revised. 2/ Beginning of quarter.

Table 38--Corn Belt cattle feeding: Selected costs at current rates 1/

Purchased during: Marketed during:	Feb. 85 Aug. 85	Mar. Sept.	Apr. Oct.	May Nov.	June Dec.	July Jan. 86	Aug. Feb.	Sept. March	Oct. Apr.	Nov. May	Dec. June	Jan. 86 July	Feb. Aug.	Mar. Sept.
EXPENSES: ($/head)														
600-lb feeder steer	414.48	404.40	411.60	402.24	392.40	364.56	369.12	361.50	374.22	377.16	365.88	372.96	374.52	379.32
Transportation to feedlot (400 miles)	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28
Corn (45 bu)	117.00	119.70	121.05	119.70	118.35	116.55	108.90	101.70	94.50	98.55	100.35	102.60	102.60	102.60
Silage (1.7 tons)	39.35	39.16	38.71	38.18	36.38	35.34	34.17	32.67	31.17	32.36	33.12	34.66	34.39	33.97
Protein supplement (270 lb)	30.11	29.57	28.89	28.35	27.54	27.81	27.54	27.27	27.27	30.65	31.59	30.65	31.05	30.51
Hay (400 lb)	12.30	11.80	11.30	11.10	10.00	9.50	9.70	9.60	9.50	9.80	10.10	10.90	10.70	10.40
Total feed costs	198.76	200.22	199.95	197.33	192.27	189.20	180.31	171.24	162.44	171.35	175.16	178.81	178.74	177.48
Labor (4 hours)	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72
Management 2/	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86
Vet medicine 3/	5.31	5.31	5.33	5.33	5.31	5.28	5.27	5.25	5.25	5.27	5.25	5.27	5.26	5.26
Interest on purchase (6 months)	28.21	27.52	27.74	27.11	26.45	23.57	23.86	23.37	23.93	24.12	23.40	23.68	23.78	24.09
Power, equip., fuel, shelter, deprec. 3/	24.77	24.77	24.84	24.84	24.75	24.64	24.59	24.48	24.46	24.57	24.46	24.57	24.53	24.55
Death loss (1% of purchase	4.14	4.04	4.12	4.02	3.92	3.65	3.69	3.62	3.74	3.77	3.66	3.73	3.75	3.79
Transportation (100 miles)	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31
Marketing expenses	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
Miscellaneous & indirect costs 3/	10.71	10.71	10.74	10.74	10.70	10.66	10.64	10.59	10.58	10.63	10.58	10.63	10.61	10.62
Total	720.90	711.50	718.83	706.12	690.32	656.07	652.01	634.57	639.14	651.39	642.90	654.17	655.70	659.63
SELLING PRICE REQUIRED TO COVER:														
Feed and feeder costs (1,050 lb) $/cwt	58.40	57.58	58.24	57.10	55.68	52.74	52.33	50.74	51.11	52.24	51.53	52.55	52.69	53.03
All costs (1,050 lb) $/cwt	68.66	67.76	68.46	67.25	65.74	62.48	62.10	60.44	60.87	62.04	61.23	62.30	62.45	62.82
Feed costs per 100-lb gain (450 lb) $/cwt	44.17	44.49	44.43	43.85	42.73	42.04	40.07	38.05	36.10	38.08	38.92	39.74	39.72	39.44
Choice steers, Omaha (900-1100 lb) $/cwt	51.94	51.29	57.40	63.30	62.94	59.69	56.42	55.55						
Net margin $/cwt	-16.72	-16.47	-11.06	-3.95	-2.80	-2.79	-5.68	-4.89						
PRICES:														
Feeder steer, Choice (600-700 lb) Kansas City $/cwt	69.08	67.40	68.60	67.04	65.40	60.76	61.52	60.25	62.37	62.86	60.98	62.16	62.42	63.22
Corn $/bu 4/	2.60	2.66	2.69	2.66	2.63	2.59	2.42	2.26	2.10	2.19	2.23	2.28	2.28	2.28
Hay $/ton 4/	61.50	59.00	56.50	55.50	50.00	47.50	48.50	48.00	47.50	49.00	50.50	54.50	53.50	52.00
Corn silage $/ton 5/	23.15	23.04	22.77	22.46	21.40	20.79	20.10	19.22	18.34	19.04	19.48	20.39	20.23	19.98
32-36% protein supp. $/cwt 6/	11.15	10.95	10.70	10.50	10.20	10.30	10.20	10.10	10.10	11.35	11.70	11.35	11.50	11.30
Farm labor $/hour	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93
Interest rate, annual	13.61	13.61	13.48	13.48	13.48	12.93	12.93	12.93	12.79	12.79	12.79	12.70	12.70	12.70
Transportation rate $/cwt per 100 miles 7/	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22
Marketing expenses $/cwt 8/	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
Index of prices paid by farmers (1910-14=100)	1130	1130	1133	1133	1129	1124	1122	1117	1116	1121	1116	1121	1119	1120

1/ Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individuals for management, production level, and locality of operation. Revisions have been made per annual Agricultural Prices. 2/ Assumes 1 hour at twice the labor rate. 3/ Adjusted monthly by the index of prices paid by farmers for commodities, services, interest, taxes, and wage rates. 4/ Average price received by farmers in Iowa and Illinois. 5/ Corn silage price derived from an equivalent price of 5 bushels corn and 330 lb hay. 6/ Average price paid by farmers in Iowa and Illinois. 7/ Converted from cents/mile for a 44,000-pound haul. 8/ Yardage plus commission fees at a Midwest terminal market.
*Preliminary.

Table 39--Great Plains custom cattle feeding: Selected costs at current rates 1/

Purchased during: Marketed during:	Feb. 85 Aug. 85	Mar. Sept.	Apr. Oct.	May Nov.	June Dec.	July Jan. 86	Aug. Feb.	Sept. March	Oct. Apr.	Nov. May	Dec. June	Jan. 86 July	Feb. Aug.	Mar. Sept.
EXPENSES: ($/head)														
600-lb feeder steer	423.60	402.66	390.54	378.48	362.52	352.50	371.28	339.72	360.66	371.64	369.90	383.40	376.86	354.18
Transportation to feedlot (300 miles)	3.96	3.96	3.98	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96
Commission	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Feed:														
Milo (1,500 lb)	73.20	73.95	77.40	78.45	79.80	80.10	64.05	65.70	66.90	67.05	75.75	67.50	65.55	65.40
Corn (1,500 lb)	83.70	84.45	86.70	87.00	87.30	85.80	77.40	70.50	73.80	78.05	78.30	77.10	75.30	74.40
Cottonseed meal (400 lb)	46.00	46.00	46.00	44.00	42.00	38.00	37.60	36.00	36.80	38.40	36.80	38.00	40.00	42.00
Alfalfa hay (800 lb)	60.40	54.40	50.40	47.60	44.80	43.60	42.40	45.60	45.60	45.20	47.60	47.60	35.20	33.20
Total feed cost	263.30	258.80	260.50	257.05	253.90	247.50	221.45	217.80	223.10	226.70	238.45	230.20	216.05	215.00
Feed handling & management charge	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00
Vet medicine	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Interest on feeder & 1/2 feed	34.70	33.25	32.55	31.05	28.76	27.38	27.72	25.80	27.15	27.89	28.12	31.16	30.31	28.86
Death loss (1.5 percent of purchase)	6.35	6.04	5.86	5.68	5.44	5.29	5.57	5.10	5.41	5.57	5.55	5.75	5.65	5.31
Marketing 2/	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.
Total	758.92	731.71	720.41	703.22	681.57	663.63	656.97	619.37	647.28	662.76	672.98	681.47	659.83	634.31
SELLING PRICE REQUIRED TO COVER: 3/ ($/cwt)														
Feed and feeder costs (1,056 lb)	65.05	62.64	61.65	60.18	58.37	56.82	56.13	52.80	55.28	56.66	57.61	58.11	56.15	53.90
All costs	71.87	69.29	68.22	66.59	64.54	62.84	62.21	58.65	61.30	62.76	63.73	64.53	62.48	60.07
Selling price 4/	53.89	53.80	61.11	66.39	65.86	60.81	57.74	57.43						
Net margin	-17.98	-15.49	-7.11	-0.20	-1.32	-2.03	-4.47	-1.22						
Cost per 100-lb gain														
Variable costs less interest	58.73	57.77	58.07	57.35	56.67	55.36	50.20	49.38	50.50	51.25	53.60	51.99	49.14	48.86
Feed costs	52.66	51.76	52.10	51.41	50.78	49.50	44.29	43.56	44.62	45.34	47.69	46.04	43.21	43.00
PRICES:														
Choice feeder steer 600-700 lb Amarillo $/cwt	70.60	67.11	65.09	63.08	60.42	58.75	61.88	56.62	60.11	61.94	61.65	63.90	62.81	59.03
Transportation rate $/cwt/100 miles 5/	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22
Commission fee $/cwt	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
Milo $/cwt 6/	4.88	4.93	5.16	5.23	5.32	5.34	4.27	4.38	4.46	4.47	5.05	4.50	4.37	4.36
Corn $/cwt 6/	5.58	5.63	5.78	5.80	5.82	5.72	5.16	4.70	4.92	5.07	5.22	5.14	5.02	4.96
Cottonseed meal $/cwt 7/	11.50	11.50	11.50	11.00	10.50	9.50	9.40	9.00	9.20	9.60	9.20	9.50	10.00	10.50
Alfalfa hay $/ton 8/	151.00	136.00	126.00	119.00	112.00	107.00	109.00	106.00	114.00	114.00	113.00	119.00	88.00	83.00
Feed handling & management charge $/ton	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Interest, annual rate	12.50	12.50	12.50	12.25	11.75	11.50	11.50	11.50	11.50	11.50	11.50	12.50	12.50	12.50

1/ Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individual feedlots. For individual use, adjust expenses and prices for management, production level, and locality of operation. Steers are assumed to gain 500 lbs in 180 days at 2.8 lbs per day with feed conversion of 8.4 lbs per pound gain. Revisions have been made per annual Agricultural Prices. 2/ Most cattle sold f.o.b. at the feedlot with 4-percent shrink. 3/ Sale weight 1,056 lbs (1,100 lbs less 4-percent shrink). 4/ Choice slaughter steers, 900-1100 lbs, Texas-New Mexico direct. 5/ Converted from cents per mile for a 44,000-lb haul. 6/ Texas Panhandle elevator price plus $0.15/cwt handling and transportation to feedlots. 7/ Average prices paid by farmers in Texas. 8/ Average price received by farmers in Texas plus $30/ton handling and transportation to feedlots.

may continue a slight upward trend to average $61 to $67. The scenario of stronger fed steer prices in the fourth quarter is primarily due to sharp drops in fed cattle marketings and more current, though still heavy slaughter weights. For the year, prices may only average $57 to $62, little above last year's $58.37.

Feeder cattle prices will continue to respond to weak Choice steer prices with Kansas City yearling steer prices likely declining to $57 to $63 during the second quarter. Even with less feedlot demand this spring, prices will be supported somewhat by stocker demand for the grazing season. Once feedlot demand picks up in late summer–early fall, as feed grain prices drop, prices will likely strengthen to the mid– to upper $60's.

Probably the greatest impact of increased cow slaughter this year will be felt on cow prices. Cow prices fell sharply in early April but rebounded by mid–April to the mid–$30's. Large processing meat supplies will hold prices near the lower–to–mid $30's this spring. Declining cow slaughter as the year progresses will help firm prices, which could average $35 to $41 for the fall quarter, near the $38.65 first–quarter average.

Retail Beef Prices Decline

The first–quarter average retail beef price declined 3 percent from a year earlier in response not only to large beef supplies, but also large supplies of competing meats. However, prices of live slaughter steers declined at a faster rate throughout the quarter, leaving the farm–to–retail price spread averaging $1.10, 6 percent higher than a year earlier.

Table 40--Feeder steer prices consistent with breakeven, given corn and fed steer prices 1/

Corn (farm price)	Choice steers, $/cwt				
	55	60	65	70	75
$/bu	Feeder steers, $/cwt				
1.25	64	72	81	90	99
1.50	61	70	79	88	97
1.75	59	68	77	86	95
2.00	57	66	75	84	92
2.25	55	64	73	81	90
2.50	53	62	71	79	88

1/ Assuming all other costs at February 1986 levels. Assumes milo equals 92 percent of the corn feeding value. (See Great Plains custom cattle feeding table.)

Table 41--April 1 feeder cattle supply

Item	1984	1985	1986	1986/1985
	1,000 head			% change
Calves less than 500 lb				
On farms Jan 1.	27,611	26,436	24,431	-7.6
Slaughter Jan-Mar.	817	820	827	+6.5
On feed April 1 1/	377	319	251	-1.3
Total	26,417	25,297	23,307	-7.9
Steers & Heifers 500 lb + 2/				
On farms Jan 1.	24,222	24,425	24,057	-1.5
Slaughter Jan-Mar.	6,924	6,887	6,835	-.9
On feed April 1 1/	10,509	10,960	10,194	-7.0
Total	6,789	6,578	7,028	+6.8
Total supply	33,206	31,875	30,336	-4.8

1/ Estimated U.S. steers and heifers. 2/ Not including heifers for cow replacements.

Table 42—Commercial calf slaughter and production

Year	Slaughter 1/	Average dressed weight	Production 1/
	1,000 head	Pound	Million pound
1983:			
I	734	140	103
II	669	146	98
III	805	137	110
IV	868	135	117
Year	3,076	139	428
1984:			
I	817	141	115
II	745	152	113
III	856	143	122
IV	874	145	127
Year	3,293	145	477
1985:			
I	820	145	119
II	770	156	120
III	872	144	126
IV	923	145	134
Year	3,385	147	499
1986: 2/			
I	873	148	129

1/ May not add due to rounding. 2/ Preliminary.

With continued large production expected during the second quarter and particularly large supplies of manufacturing grade beef from the increased cow slaughter, beef prices will likely continue to decline. With Choice steer prices holding even to possibly slightly higher than in the first quarter, the farm-to-retail spread could narrow somewhat. As production likely declines throughout the second half, the spread will likely narrow to accommodate stronger slaughter steer prices.

Value of Production Declines During 1985

The value of production for cattle and calves declined 5 percent during 1985 from a year earlier. Cash receipts dropped 6 percent as both marketings and cattle prices fell. Receipts are likely to decline during 1986 also, as cattle prices will average near or below a year earlier.

Sheep and Lambs

During first-quarter 1986, lamb and mutton production totaled 89 million pounds, down 4 percent from a year ago. Commercial lamb and sheep slaughter was down 7 percent, but the average dressed weight was 59 pounds, up 2 pounds. Mature sheep slaughter as a percentage of the total was 4.8 percent, the lowest since 1981, the last year that the breeding inventory increased. The lower percentage of mature sheep slaughter and higher prices for bred ewes suggest that some flock rebuilding is occurring.

In the first quarter, Choice slaughter lambs at San Angelo averaged $66 per cwt, $2 lower than a year ago. The price reflects price weakness in the red meat complex and heavier lambs. Prices increased in April and are expected to average $65 to $69 per cwt in the second quarter. In the last half of the year, prices may average $63 to $69 per cwt.

Cash Receipts Up Sharply

Cash receipts from marketing sheep and lambs in 1985 totaled $503 million, up 8 percent from 1984. The average price received by farmers for sheep was $23 per cwt, up from $16.40 in 1984. Lamb prices averaged $67.70 per cwt in 1985, up $8 from 1984. Sheep and lamb marketings accounted for 1 percent of total U.S. cash receipts from marketings of meat animals. Texas was the leading State followed by California and Colorado.

Table 43--Commercial sheep and lamb slaughter 1/ and production

Year	Lambs and yearlings	Mature sheep	Total 2/	Average dressed weight	Commercial production 2/
	- - 1,000 head - -			Pound	Mil lb
1982:					
I	1,521	81	1,602	56	90
II	1,406	131	1,537	55	85
III	1,500	128	1,628	54	88
IV	1,555	127	1,681	55	93
Year	5,982	467	6,449	55	356
1983:					
I	1,533	91	1,624	57	93
II	1,441	135	1,576	56	89
III	1,597	142	1,739	54	94
IV	1,555	125	1,680	54	91
Year	6,126	493	6,619	55	367
1984:					
I	1,611	104	1,715	57	98
II	1,544	162	1,706	54	92
III	1,513	146	1,659	53	88
IV	1,559	119	1,678	55	93
Year	6,227	531	6,758	55	371
1985:					
I	1,539	90	1,629	57	93
II	1,363	118	1,481	56	83
III	1,403	114	1,417	56	85
IV	1,460	92	1,551	59	91
Year	5,765	414	6,078	228	352
1986:					
I	1,438	72	1,510	60	89

1/ Class estimated. 2/ May not add due to rounding. 3/ Preliminary.

Table 44--Balance sheet for sheep and lambs, United States

Year	On farms Jan. 1	Lamb crop	Net exports	Total slaughter	Deaths	Adjustment factor	On farms Dec. 31
				1,000 head			
1980	12,699	8,257	103	5,742	1,920	-244	12,947
1981	12,947	8,820	214	6,197	1,853	-506	12,997
1982	12,997	8,580	271	6,643	1,875	-648	12,140
1983	12,140	8,209	213	6,792	1,608	-249	11,487
1984	11,487	7,788	301	6,900	1,721	+90	10,443
1985	10,443	7,381	338	6,300	1,383	+129	9,932
1986	9,932						

Table 45--Beef, Choice Yield Grade 3: Retail, carcass, and farm values, spreads, and farmers' share 1/

Year	Retail price 2/	Gross carcass value 3/	Carcass by-product allow-ance 4/	Net carcass value 5/	Gross farm value 6/	Farm by-product allow-ance 7/	Net farm value 8/	Farm-retail spread: Total	Farm-retail spread: Carcass-retail	Farm-retail spread: Farm-carcass	Farmers' share 9/
				- - - Cents per pound - - -							Percent
1980	237.6	157.7	2.3	155.4	161.9	16.9	145.0	92.6	82.2	10.4	61
1981 10/	238.7	151.5	2.1	149.3	154.5	16.0	138.5	100.2	89.4	10.8	58
1982	242.5	152.8	2.1	150.7	155.5	15.0	140.5	102.0	91.8	10.2	58
1983	238.1	147.4	2.0	145.4	151.8	15.6	136.2	101.9	92.7	9.2	57
1984	239.6	150.6	3.0	147.6	158.6	18.6	140.0	99.6	92.0	7.6	58
1985											
I	239.0	145.2	2.4	142.8	151.1	15.5	135.6	103.4	96.2	7.2	57
II	234.4	134.2	1.8	132.4	140.2	15.1	125.1	109.3	102.0	7.3	53
III	226.6	122.6	1.3	121.3	126.9	14.5	112.4	114.2	105.3	8.9	50
IV	230.3	145.8	1.6	144.2	150.7	16.3	134.4	95.9	86.1	9.8	58
Jan.	239.7	149.6	2.6	147.0	155.9	16.1	139.8	99.9	92.7	7.2	58
Feb.	238.7	146.7	2.4	144.3	152.8	15.6	137.2	101.5	94.4	7.1	57
Mar.	238.6	139.2	2.2	137.0	144.6	14.9	129.7	108.9	101.6	7.3	54
Apr.	236.8	135.0	2.1	132.9	142.8	15.8	127.0	109.8	103.9	5.9	54
May	234.4	134.8	1.8	133.0	140.6	15.2	125.4	109.0	101.4	7.6	53
June	232.0	132.9	1.7	131.2	137.1	14.2	122.9	109.1	100.8	8.3	53
July	230.6	124.0	1.4	122.6	128.3	14.3	114.0	116.6	108.0	8.6	49
Aug.	225.5	121.2	1.4	119.8	126.7	14.7	112.0	113.5	105.7	7.8	50
Sept.	223.6	122.7	1.3	121.4	125.6	14.5	111.1	112.5	102.2	10.3	50
Oct.	224.2	137.5	1.5	136.0	143.1	15.5	127.6	96.6	88.2	8.4	57
Nov.	229.9	150.6	1.8	148.8	155.0	16.9	138.1	91.8	81.1	10.7	60
Dec.	236.9	149.3	1.6	147.7	154.0	16.6	137.4	99.5	89.2	10.3	58
Annual	232.6	137.0	1.8	135.2	142.2	15.4	126.8	105.8	97.4	8.4	55
1986											
I											
Jan.	236.9	140.0	1.4	138.6	144.5	16.1	128.4	108.5	98.3	10.2	54
Feb.	232.5	131.4	1.4	130.0	136.5	15.5	121.0	111.5	102.5	9.0	52
Mar.	230.3	129.2	1.1	128.1	134.9	15.1	119.8	110.5	102.2	8.3	52
1st qt.	233.2	133.5	1.3	132.2	138.6	15.5	123.1	110.1	101.0	9.1	53

1/ Revised series. 2/ Estimated weighted-average price of retail cuts from Choice Yield Grade 3 carcass. 3/ Value of carcass-quantity equivalent to 1 lb of retail cuts. A wholesale-carcass equivalent of 1.464 was used prior to 1970; it was increased gradually to 1.476 in 1976 and later years. 4/ Portion of gross carcass value attributed to fat and bone trim. 5/ Gross carcass value minus carcass by-product allowance. 6/ Market value to producer for 2.4 lb of live animal, equivalent to 1 lb of retail cuts. 7/ Portion of gross farm value attributed to edible and inedible by-products. 8/ Gross farm value minus farm by-product allowance. 9/ Percent net farm value is of retail price. 10/ ERS data through May 1981, BLS series since.

Table 46--Pork: Retail, wholesale, and farm values, spreads, and farmers' share 1/

Year	Retail price 2/	Wholesale value 3/	Gross farm value 4/	By-product allowance 5/	Net farm value 6/	Farm-retail spread: Total	Farm-retail spread: Wholesale-retail	Farm-retail spread: Farm-wholesale	Farmers' share 7/
	- - - Cents per pound - - -								Percent
1980	139.4	98.0	68.3	5.1	63.2	76.2	41.4	34.8	45
1981 8/	152.4	106.7	75.5	5.2	70.3	82.1	45.7	36.4	46
1982	175.4	121.8	94.3	6.3	88.0	87.4	53.6	33.8	50
1983	169.8	108.9	81.4	4.9	76.5	93.3	60.9	32.4	45
1984	162.0	110.1	83.3	5.9	77.4	84.6	51.9	32.7	48
1985									
I	165.4	106.3	80.4	5.4	75.0	90.4	59.1	31.3	45
II	158.6	101.0	73.5	4.5	69.1	89.5	57.6	31.9	44
III	161.1	96.6	74.1	4.5	69.6	91.5	64.5	27.0	43
IV	163.0	100.6	76.6	4.5	72.1	90.9	62.4	28.5	44
1985									
Jan.	166.0	110.0	83.5	5.5	78.0	88.0	56.0	32.0	47
Feb.	165.6	106.9	83.1	5.6	77.5	88.1	58.7	29.4	47
Mar.	164.7	102.0	74.6	5.0	69.6	95.1	62.7	32.4	42
Apr.	159.3	97.0	70.5	4.7	65.8	93.5	62.1	31.4	41
May	158.7	99.6	72.2	4.4	67.8	90.9	59.1	31.8	43
June	157.9	106.3	77.9	4.3	73.6	84.3	51.6	32.7	47
July	161.7	99.9	79.3	4.7	74.6	87.1	61.8	25.3	46
Aug.	161.8	96.8	74.5	4.7	69.8	92.0	65.0	27.0	43
Sept.	159.8	93.1	68.5	4.2	64.3	95.5	66.7	28.8	40
Oct.	160.0	98.7	74.8	4.3	70.5	89.5	61.3	28.2	44
Nov.	162.4	99.6	75.2	4.5	70.6	91.8	62.8	29.0	43
Dec.	166.5	103.5	79.8	4.5	75.3	91.2	63.0	28.2	45
Annual	162.0	101.1	76.2	4.8	71.4	90.6	60.9	29.7	44
1986									
I									
Jan.	169.0	99.1	77.6	4.7	72.9	96.1	69.9	26.2	43
Feb.	168.3	95.7	74.1	4.6	69.5	98.8	72.6	26.2	41
Mar.	165.8	92.4	69.5	4.0	65.5	100.3	73.4	26.9	40
1st qt.	167.7	95.7	73.7	4.4	69.3	98.4	72.0	26.4	41

1/ Revised series. 2/ Estimated weighted-average price of retail cuts from pork carcass. 3/ Value of wholesale quantity equivalent to 1 lb of retail cuts. A wholesale-carcass equivalent of 1.06 is used for all years. 4/ Market values to producer for 1.7 lb of live animal, equivalent to 1 lb of retail cuts. 5/ Portion of gross farm value attributable to edible and inedible by-products. 6/ Gross farm value minus by-product allowance. 7/ Percent net farm value is of retail price. 8/ ERS data through May 1981, BLS series since.

Table 47--Average retail price of specified meat cuts, per pound, by months

Year and item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
						Dollars						
CHOICE BEEF:												
Ground chuck												
1984	1.72	1.74	1.75	1.75	1.75	1.72	1.69	1.69	1.68	1.69	1.70	1.71
1985	1.71	1.73	1.72	1.72	1.69	1.67	1.65	1.64	1.64	1.62	1.67	1.68
1986	1.66	1.66	1.66									
Ground beef												
1984	1.29	1.34	1.31	1.33	1.30	1.27	1.25	1.28	1.27	1.25	1.27	1.30
1985	1.28	1.28	1.28	1.27	1.21	1.20	1.20	1.21	1.21	1.19	1.24	1.28
1986	1.23	1.26	1.27									
Chuck roast, bone in												
1984	1.75	1.78	1.75	1.74	1.70	1.62	1.59	1.59	1.62	1.62	1.69	1.71
1985	1.68	1.70	1.65	1.62	1.58	1.55	1.50	1.48	1.41	1.50	1.56	1.63
1986	1.68	1.64	1.65									
Round roast, boneless												
1984	2.62	2.69	2.68	2.68	2.61	2.53	2.47	2.52	2.52	2.52	2.51	2.55
1985	2.56	2.52	2.56	2.54	2.45	2.40	2.41	2.34	2.35	2.39	2.49	2.56
1986	2.55	2.47	2.46									
Rib roast, bone in												
1984	3.45	3.44	3.42	3.35	3.39	3.37	3.38	3.32	3.22	3.26	3.23	3.34
1985	3.43	3.28	3.32	3.29	3.30	3.29	3.27	3.24	3.19	3.20	3.21	3.37
1986	3.36	3.33	3.20									
Round steak, boneless												
1984	2.93	2.96	2.98	2.96	2.90	2.90	2.83	2.89	2.87	2.89	2.85	2.92
1985	2.94	2.94	2.95	2.90	2.88	2.84	2.76	2.68	2.67	2.69	2.78	2.83
1986	2.91	2.82	2.82									
Sirloin steak, bone in												
1984	2.89	3.06	3.09	3.18	3.09	3.17	3.18	3.11	3.09	2.98	3.00	3.07
1985	2.98	2.97	2.99	2.96	3.00	3.08	3.06	2.94	2.87	2.82	2.84	2.98
1986	2.90	2.97	2.84									
Chuck steak, bone in												
1984	1.75	1.80	1.78	1.78	1.72	1.65	1.59	1.63	1.62	1.68	1.77	1.76
1985	1.72	1.74	1.71	1.66	1.62	1.54	1.53	1.56	1.54	1.60	1.68	1.74
1986	1.72	1.58	1.62									
T-Bone steak, bone in												
1984	3.83	3.86	3.86	3.98	3.93	4.06	4.06	4.02	3.95	3.91	3.96	3.97
1985	3.96	3.97	3.98	4.03	3.98	4.09	4.10	3.91	3.87	3.78	3.86	4.05
1986	3.99	3.91	3.87									
Porterhouse steak, bone in												
1984	3.76	3.91	4.06	4.04	4.10	4.18	4.16	4.21	4.11	3.98	4.03	4.14
1985	4.10	4.04	4.00	4.04	4.04	4.04	4.22	4.03	4.05	3.98	3.91	4.04
1986	4.08	3.96	3.92									
PORK												
Bacon, sliced												
1984	1.81	1.88	1.80	1.80	1.82	1.83	1.90	1.90	1.89	1.90	1.87	1.89
1985	1.95	1.97	1.96	1.95	1.93	1.89	1.95	1.96	1.93	1.95	1.93	1.92
1986	1.94	1.95	1.89									
Chops, center cut												
1984	2.41	2.36	2.34	2.35	2.28	2.37	2.43	2.52	2.40	2.37	2.35	2.37
1985	2.37	2.41	2.35	2.27	2.24	2.31	2.35	2.34	2.34	2.30	2.38	2.39
1986	2.47	2.42	2.38									

Continued--

Table 47--Average retail price of specified meat cuts, per pound, by months--Continued

Year and item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
						Dollars						
Ham, rump or shank half												
1984	1.33	1.32	1.32	1.30	1.28	1.28	1.27	1.32	1.35	1.37	1.35	1.37
1985	1.36	1.32	1.34	1.22	1.27	1.24	1.24	1.26	1.25	1.27	1.29	1.36
1986	1.38	1.42	1.38									
Sirloin roast, bone in												
1984	1.67	1.67	1.65	1.66	1.61	1.64	1.66	1.73	1.66	1.62	1.60	1.60
1985	1.68	1.63	1.60	1.55	1.54	1.50	1.62	1.58	1.54	1.58	1.61	1.65
1986	1.66	1.65	1.65									
Shoulder picnic, bone in												
1984	1.04	1.03	.98	1.03	1.02	.98	.98	.98	.99	1.01	1.02	1.02
1985	1.06	1.03	1.04	1.04	.99	.98	1.01	1.03	1.00	1.01	1.02	1.07
1986	1.06	1.03	1.00									
Sausage, fresh, pork, loose												
1984	1.66	1.72	1.68	1.66	1.72	1.74	1.72	1.76	1.72	1.74	1.74	1.70
1985	1.72	1.78	1.77	1.74	1.75	1.73	1.75	1.74	1.72	1.66	1.69	1.78
1986	1.84	1.79	1.86									
MISCELLANEOUS CUTS												
Ham, canned, 3 or 5 lbs												
1984	2.59	2.59	2.58	2.53	2.55	2.54	2.52	2.54	2.57	2.60	2.53	2.57
1985	2.64	2.66	2.70	2.55	2.57	2.53	2.52	2.52	2.51	2.51	2.50	2.49
1986	2.56	2.68	2.58									
Frankfurters, all meat												
1984	1.76	1.80	1.81	1.78	1.80	1.81	1.80	1.81	1.81	1.82	1.78	1.80
1985	1.81	1.83	1.82	1.80	1.81	1.81	1.77	1.77	1.83	1.86	1.82	1.83
1986	1.91	1.92	1.88									
Bologna												
1984	2.07	2.09	2.12	2.10	2.13	2.15	2.16	2.14	2.17	2.15	2.16	2.14
1985	2.12	2.10	2.11	2.15	2.13	2.12	2.11	2.09	2.13	2.11	2.07	2.12
1986	2.14	2.09	2.12									
Beef liver												
1984	.96	.96	.96	.98	.97	.98	.99	1.00	1.00	.99	1.00	1.00
1985	.95	.96	.97	.96	.94	.98	.96	.95	.94	.93	.95	1.04
1986	.99	.96	.95									

Table 48--CPI meat prices, and relationship of individual meat indexes to index for meat, poultry, fish, and eggs

Year	Indexes: Meat, poultry, fish & eggs	Beef and veal	Pork	Poultry	Eggs	Percent of meat, poultry, fish and eggs index: Beef and veal	Pork	Poultry	Eggs
	- - - 1967=100 - - -					- - - Percent - - -			
1970	117.3	119.5	115.9	108.4	125.6	102	99	92	107
1971	116.2	124.9	105.0	109.0	108.4	107	90	94	93
1972	126.4	136.6	121.6	110.4	107.7	108	96	87	85
1973	160.4	163.8	161.7	154.8	160.2	102	101	97	100
1974	163.7	168.5	161.0	146.9	160.8	103	98	90	98
1975	176.4	170.0	196.9	162.4	157.8	96	112	92	89
1976	178.9	164.5	199.5	155.7	172.4	92	112	87	96
1977	177.5	163.6	188.8	156.7	166.9	92	106	88	94
1978	204.3	201.0	213.1	172.9	157.8	98	104	85	77
1979	234.2	255.8	216.4	181.5	172.8	109	92	77	74
1980	242.2	270.3	209.1	190.8	169.7	112	86	79	70
1981	252.8	272.6	228.6	198.6	183.8	108	90	79	73
1982	262.1	276.5	258.1	195.1	178.7	105	98	74	68
1983	261.0	272.3	255.8	197.5	187.1	104	98	76	72
1984	266.6	275.6	252.5	218.5	209.0	103	95	82	78
1985									
Jan.	266.6	276.4	258.5	217.4	161.3	104	97	82	61
Feb.	267.0	275.6	258.9	219.5	169.7	103	97	82	64
Mar.	266.1	275.3	256.5	217.3	172.1	103	96	82	65
I	266.6	275.8	258.0	218.1	167.7	103	97	82	63
Apr.	263.6	273.7	249.0	216.7	169.9	104	94	82	64
May	259.8	269.0	247.8	213.6	159.9	104	95	82	62
June	259.8	267.4	248.6	216.0	158.3	103	96	83	61
II	261.1	270.0	248.5	215.4	162.7	103	95	82	62
July	260.5	264.7	253.1	214.7	168.4	102	97	82	65
Aug.	259.7	261.8	253.8	213.9	171.0	101	98	82	66
Sept.	260.0	261.1	252.1	215.9	185.7	100	97	83	71
III	260.3	262.5	253.0	214.8	175.0	101	97	83	67
Oct.	261.1	263.2	249.4	214.3	187.4	103	94	82	70
Nov.	266.1	270.8	254.0	216.8	190.8	102	95	81	70
Dec.	269.9	277.8	254.7	220.3	196.7	103	94	82	70
IV	265.7	270.6	252.7	217.1	191.6	102	95	82	70
Annual	263.4	269.7	253.0	216.4	174.3	102	96	82	66
1986									
Jan.	271.5	275.7	259.3	218.2	194.4	102	96	80	72
Feb.	268.4	272.3	257.0	218.5	186.7	101	96	81	70
Mar.	267.7	271.3	253.4	218.2	190.8	101	95	82	71

Table 49--Total red meat supply and utilization by quarters, carcass and retail weight, 1982-86 1/

Year	Commercial production	Farm production	Beginning stocks	Imports	Total supply	Exports	Shipments	Military purchases	Ending stocks	Total disappearance	Per capita disappearance: Carcass weight	Per capita disappearance: Retail weight	Population
	---- Million pounds ----										Pounds		Million
BEEF:													
1982	22,366	170	257	1,939.18	24,732.18	249.74	55.30	135	294	23,998.13	104.28	77.17	230.30
1983	23,060	183	294	1,931.07	25,468.07	272.10	40.23	121	325	24,709.74	106.23	78.61	232.60
1984	23,418	180	325	1,823.08	25,746.08	328.76	47.26	112	358	24,900.06	106.05	78.48	234.80
1985													
I	5,692	60	358	419.60	6,529.60	81.58	12.34	28	334	6,073.68	25.71	19.03	236.20
II	5,923	26	334	534.32	6,817.32	77.12	11.99	31	296	6,401.21	27.03	20.00	236.80
III	6,167	25	296	632.58	7,120.58	91.26	11.64	41	308	6,668.68	28.09	20.79	237.40
IV	5,775	60	308	481.40	6,624.40	78.21	15.32	26	317	6,187.87	26.01	19.24	237.90
Year	23,557	171	358	2,067.90	26,153.90	328.17	51.29	126	317	25,331.44	106.88	79.09	237.00
1986													
I 2/	5,769	60	317	510	6,656.00	101.67	15.00	25	298	6,216.33	26.06	19.29	238.50
II 2/	5,925	26	298	540	6,739.00	90.00	15.00	25	250	6,359.00	26.60	19.69	239.00
Year 3/	22,894	171	317	2,125	25,507.00	447.00	60.00	100	300	24,600.00	102.80	76.07	239.30
PORK:													
1982	14,121	108	264	612.11	15,105.11	214.29	151.16	96	219	14,424.66	62.63	59.00	230.30
1983	15,117	82	219	701.61	16,119.61	219.32	141.60	89	301	15,368.69	66.07	62.17	232.60
1984	14,720	92	301	953.92	16,066.92	163.85	147.00	86	274	15,396.07	65.57	61.76	234.80
1985													
I	3,618	28	274	313.14	4,233.14	33.84	32.74	17	314	3,835.56	16.24	15.26	236.20
II	3,743	11	314	287.71	4,355.71	37.20	33.48	20	385	3,880.03	16.39	15.40	236.80
III	3,553	12	385	264.80	4,214.80	25.42	28.06	24	277	3,860.32	16.26	15.29	237.40
IV	3,814	28	277	262.13	4,381.13	31.92	37.10	17	229	4,066.11	17.09	16.07	237.90
Year	14,728	79	274	1,127.78	16,208.78	128.38	131.38	78	229	15,642.02	65.98	62.02	237.00
1986													
I 2/	3,564	29	229	279.00	4,133.00	16.00	35.00	20	252	3,806.00	15.96	15.00	238.50
II 2/	3,575	12	252	275.00	4,137.00	30.00	35.00	20	325	3,727.00	15.59	14.66	239.00
Year 3/	14,389	82	229	1,100.00	15,811.00	130.00	140.00	80	275	15,186.00	63.46	59.65	239.30
LAMB AND MUTTON:													
1982	356	9	11	18.67	394.67	1.72	2.42	1	9	380.52	1.65	1.47	230.30
1983	367	8	9	18.77	402.77	1.45	2.22	0	11	388.10	1.67	1.49	232.60
1984	371	8	11	20.00	410.00	1.93	2.83	0	7	398.24	1.70	1.51	234.80
1985													
I	93	2	7	4.60	106.60	.27	.67	-	7	98.66	.42	.37	236.22
II	83	2	7	10.95	102.95	.21	.58	-	9	93.16	.39	.35	236.80
III	85	1	9	6.47	101.47	.24	.68	-	9	91.55	.39	.34	237.40
IV	91	2	9	14.45	116.45	.29	.53	-	13	102.63	.43	.38	237.90
Year	352	7	7	36.47	402.47	1.01	2.46	-	13	386.00	1.63	1.45	237.00
1986													
I 2/	89	2	13	7.00	112.00	0	0	0	12	103.40	.43	.38	238.50
II 2/	78	2	12	11.00	100.00	0	1.00	0	10	92.00	.38	.34	239.00
Year 3/	330	8	13	35.00	386.00	2.00	1.00	0	9	374.00	1.56	1.39	239.30

Continued--

Table 49--Total red meat supply and utilization by quarters, carcass and retail weight, 1982-86 1/--Continued

Year	Commer-cial pro-duction	Farm pro-duction	Begin-ning stocks	Imports	Total supply	Exports	Ship-ments	Mili-tary pur-chases	Ending stocks	Total disap-pearance	Per capita disappearance: Carcass weight	Per capita disappearance: Retail weight	Popu-lation
				- - - - Million pounds - - - -							- Pounds -		Million
VEAL:													
1982	423	25	9	18.76	475.76	3.80	1.47	6	7	457.49	1.99	1.65	230.30
1983	428	25	7	18.55	478.55	4.06	1.09	7	9	457.40	1.97	1.64	232.60
1984	479	16	9	24.09	528.09	5.65	1.35	4	14	503.09	2.14	1.78	234.80
1985													
I	119	6	14	4.85	143.85	.90	.07	1	11	130.88	.55	.46	236.20
II	120	2	11	5.85	138.85	.94	.05	2	11	124.86	.53	.44	236.80
III	126	2	11	2.72	141.72	1.05	.35	2	10	128.32	.54	.45	237.40
IV	134	6	10	6.28	156.28	.74	.27	2	11	142.67	.60	.50	237.90
Year	499	16	14	19.70	548.70	3.63	.74	7	11	526.73	2.22	1.84	237.00
1986													
I 2/	120	6	11	5.00	142.00	1.00	0	1	10	130.00	.50	.46	238.50
II 2/	145	2	10	6.00	163.00	1.00	0	2	8	152.00	.57	.49	239.00
Year 3/	495	16	11	20.00	542.00	4.00	0	7	7	524.00	2.27	1.82	239.30
TOTAL RED MEAT:													
1982	37,266	312	541	2,588.72	40,707.71	469.56	210.35	238	529	39,260.79	170.48	139.29	230.30
1983	38,972	298	529	2,670.00	42,469.00	496.93	185.14	217	646	40,923.93	175.94	143.91	232.60
1984	38,988	296	646	2,821.09	42,751.09	500.19	198.44	202	653	41,197.46	175.46	143.00	234.80
1985													
I	9,522	96	653	742.19	11,013.19	116.59	45.82	46	666	10,138.78	42.92	35.12	236.20
II	9,869	41	666	838.83	11,414.83	115.47	46.10	53	701	10,499.26	44.33	36.19	236.80
III	9,931	40	701	906.57	11,578.57	117.97	40.73	67	604	10,748.89	45.29	36.86	237.40
IV	9,814	96	604	764.26	11,278.26	111.16	53.22	45	570	10,489.28	44.13	36.19	237.90
Year	39,136	273	653	3,251.85	43,313.85	461.19	185.87	211	570	41,886.19	176.67	144.36	237.00
1986													
I 2/	9,552	100	570	802.00	11,024.00	111.00	50.00	46	619	10,198.00	42.76	35.05	238.50
II 2/	9,673	43	619	832.00	11,167.00	121.00	51.00	47	590	10,358.00	43.36	35.35	239.00
Year 3/	38,050	281	570	3,230.00	42,181.00	571.00	201.00	187	591	40,631.00	169.82	138.81	239.30

1/ Totals may not add because of rounding. 2/ Preliminary. 3/ Forecast. 4/ Less than .5.

Table 50--Total red meat and poultry supply and utilization, 1982-85 1/

Year	Total production	Beginning stocks	Imports	Total supply	Exports and shipments	Military	Ending stocks	Total civilian disappearance	Per capita disappearance
	Million pounds								Pounds
1982									
Year	53,011	929	2,589	56,529	1,410	286	868	53,965	203.1
1983									
Year	55,036	868	2,670	58,574	1,328	267	921	56,060	209.1
1984									
I	13,461	921	685	15,066	328	53	946	13,740	50.9
II	13,891	946	633	15,470	306	80	1,072	14,011	52.0
III	13,892	1,072	783	15,746	333	63	1,114	14,236	52.6
IV	14,432	1,114	721	16,268	345	55	917	14,951	55.4
Year	55,676	921	2,821	59,418	1,312	251	917	56,938	210.9
1985									
I	13,486	917	742	15,145	312	56	964	13,813	51.0
II	14,253	964	839	16,056	309	66	1,116	14,565	53.5
III	14,509	1,116	907	16,532	312	79	1,224	14,917	54.6
IV	14,228	1,224	764	16,216	329	58	891	14,938	55.3
Year	56,475	917	3,252	60,644	1,363	260	891	58,230	214.5
1986									
I 2/	13,750	891	802	15,443		40	953		
Year 3/	56,803	891	3,286	60,980	1,448	239	946	58,347	212.7

1/ Totals may not add due to rounding. 2/ Preliminary. 3/ Forecast.

Table 51--Poultry: Supply and utilization, 1985-86 1/

Year	Total production	Beginning stocks	Total supply	Exports	Shipments	Military purchases	Ending Stocks	Civilian disappearance Total	Civilian disappearance Per capita 3/
	- - - - - - Million pounds - - - - - -								Pounds
Young chicken:									
1985 4/									
I	3,272.3	19.7	3,292.0	100.0	39.0	7.1	24.1	3,121.8	13.2
II	3,562.3	24.1	3,286.4	102.3	34.8	10.3	28.5	3,410.4	14.4
III	3,535.5	28.5	3,564.0	104.6	34.1	7.5	27.7	3,390.1	14.3
IV	3,391.5	27.7	3,419.2	110.0	35.0	8.9	26.6	3,238.8	13.6
Year	13,761.6	19.7	13,7813.2	416.9	142.9	33.9	26.6	13,161.1	55.5
1986 4/									
I	3,447.4	26.6	3,474.0				23.8		
Year 5/	14,451	26.6	14,478	470	130	35	25.	13,818	57.7
Other chicken:									
1985 4/									
I	185.7	119.2	304.9	3.3	.2	.6	142.7	158.0	0.7
II	161.6	142.7	304.4	4.7	.2	.4	143.7	155.2	0.7
III	143.7	143.7	287.4	6.5	.1	.5	148.2	132.1	0.6
IV	144.6	148.2	292.9	6.1	.8	.5	144.1	141.4	0.6
Year	635.7	119.2	754.8	20.6	1.4	2.1	144.1	586.8	2.5
1986 4/									
I	172.5	144.1	316.6				160.1		
Year 5/	616	144.1	760	20	4	1	110	625	2.6
Total chicken:									
1985 4/									
I	3,458.0	138.9	3,596.9	103.3	39.2	7.8	166.8	3,279.8	13.9
II	3,724.0	166.8	3,890.8	107.0	35.1	10.8	172.3	3,565.7	15.1
III	3,679.2	172.3	3,851.5	111.1	34.2	8.0	176.0	3,522.2	14.8
IV	3,536.1	176.0	3,712.1	116.1	35.8	9.4	170.6	3,380.2	14.2
Year	14,397.3	138.9	14,536.2	437.5	144.2	36.0	170.6	13,747.9	58.0
1986 4/									
I	3,620.0	170.6	3,790.6				184.0		
Year 5/	15,067	170.6	15,238	490	134	36	135	14,443	60.3
Turkey:									
1985 4/									
I	506.1	125.3	631.4	6.1	0.7	2.4	131.1	491.1	2.1
II	660.0	131.1	791.1	4.6	1.0	2.7	243.3	539.5	2.3
III	898.4	243.3	1,141.6	7.3	1.0	4.4	444.5	684.5	2.9
IV	877.6	444.5	1,322.0	9.3	3.9	3.5	150.2	1,155.2	4.9
Year	2,942.1	125.3	3,067.4	27.2	6.6	13.0	150.2	2,870.4	12.1
1986 4/									
I	578.1	150.2	728.3				149.7		
Year 5/	3,347	150.2	3,497	30	7	16	220	3,224	13.5
Total poultry:									
1985 4/									
I	3,964.1	264.2	4,228.4	109.4	39.9	10.2	297.9	3,771.0	16.0
II	4,384.0	297.9	4,681.9	111.6	36.0	13.5	415.5	4,105.2	17.3
III	4,577.6	415.5	4,993.1	118.4	35.2	12.4	620.4	4,206.7	17.7
IV	4,413.7	620.4	5,034.1	125.3	39.6	12.9	320.8	4,535.4	19.1
Year	17,339.4	264.2	17,603.6	464.7	150.8	49.0	320.8	16,618.3	70.1
1986 4/									
I	4,198.0	320.8	4,518.9				333.7		
Year 5/	18,414	320.8	18,735	520	141	52	355	17,667	73.8

1/ Totals may not add because of rounding. 2/ Total production is estimated by multiplying the federally inspected slaughter by the ratio of the annual total production to the annual federally inspected slaughter. The ratio for 1986 is the same as in 1985. 3/ Calculated from unrounded data. 4/ Preliminary. 5/ Forecast.

Table 52—Selected price statistics for meat animals and meat

Item	1985								1986			
	July	Aug.	Sept.	III	Oct.	Nov.	Dec.	IV	Jan.	Feb.	Mar.	I
	Dollars per cwt											
SLAUGHTER STEERS:												
Omaha:												
Choice, 900-1100 lb	53.26	51.94	51.29	52.16	58.02	63.30	62.94	61.42	59.69	56.42	55.55	57.22
Good, 900-1100 lb	47.23	46.92	46.61	46.92	52.16	56.94	56.82	55.31	54.35	53.38	50.86	52.86
California, Choice 900-1100 lb	53.65	53.81	53.31	53.59	60.75	64.88	65.98	63.87	60.85	57.75	57.44	58.68
Colorado, Choice 900-1100 lb	53.93	53.41	53.18	54.17	60.58	66.06	64.88	63.84	59.94	56.94	56.38	57.75
Texas, Choice 900-1100 lb	54.52	53.89	53.80	54.38	61.11	66.39	65.86	64.45	60.81	57.74	57.43	58.66
SLAUGHTER HEIFERS:												
Omaha:												
Choice, 900-1100 lb	52.81	51.69	51.37	51.96	58.61	63.47	62.71	61.60	59.38	55.90	54.70	56.66
Good, 700-900 lb	49.39	48.45	48.32	48.72	53.51	47.41	56.94	52.62	54.43	52.09	50.82	52.45
COWS:												
Omaha:												
Commercial	35.69	35.65	34.78	35.37	33.14	32.31	32.40	32.62	34.24	36.95	37.40	36.20
Utility	36.10	35.90	36.00	36.00	34.42	34.86	33.88	34.39	34.94	37.62	38.00	36.85
Cutter	36.09	36.21	34.57	35.62	34.04	34.18	32.91	33.71	33.93	36.05	36.86	35.61
Canner	33.86	33.65	31.88	35.62	31.30	31.56	30.12	30.99	31.04	32.92	33.43	32.46
VEALERS:												
Choice, So. St. Paul	62.25	58.59	60.00	60.28	60.00	55.00	45.94	53.65	45.00	52.50	55.00	50.83
FEEDER STEERS: 1/												
Kansas City:												
Medium No. 1, 400-500 lb	67.04	66.00	66.40	66.48	68.86	68.28	64.58	67.24	67.65	71.35	71.64	70.21
Medium No. 1, 600-700 lb	60.76	61.52	60.25	60.84	62.37	62.86	60.98	62.08	62.16	62.42	63.22	62.60
All weights and grades	56.53	54.27	56.27	55.69	59.12	60.05	62.04	60.40	59.51	59.33	57.95	58.93
Amarillo:												
Medium No. 1, 600-700 lb	60.67	61.88	56.62	59.72	60.11	61.94	61.65	61.23	62.41	62.81	59.03	61.42
Georgia auctions:												
Medium No. 1, 600-700 lb	55.50	56.62	52.88	55.00	55.38	57.00	56.67	56.35	58.00	58.75	57.62	58.12
Medium No. 2, 400-500 lb	56.75	57.38	55.00	56.38	56.25	59.33	58.17	57.92	58.38	60.75	60.00	59.71
FEEDER HEIFERS:												
Kansas City:												
Medium No. 1, 400-500 lb	56.56	58.62	57.22	57.47	57.08	56.64	54.55	56.09	56.25	60.20	59.42	58.62
Medium No. 1, 600-700 lb	53.98	54.82	54.49	54.43	55.20	55.44	54.82	55.15	54.91	55.95	55.32	55.39
SLAUGHTER HOGS:												
Barrows and gilts:												
Omaha:												
No. 1 & 2, 210-240 lb	47.62	44.04	40.68	44.11	44.68	45.21	48.07	45.99	46.82	44.44	41.70	44.32
All weights	46.70	43.44	40.18	43.44	44.00	43.92	46.70	44.87	45.46	43.46	40.88	43.27
Sioux City	47.09	43.91	40.42	43.81	44.20	44.46	47.11	45.26	45.60	43.80	41.08	43.49
7 markets 2/	46.99	43.50	40.38	43.62	44.09	44.14	46.91	45.05	45.48	43.55	40.88	43.30
Sows:												
7 markets 2/	37.40	36.58	35.16	36.38	37.53	38.73	38.07	38.11	38.18	39.46	38.89	38.84
FEEDER PIGS:												
No. 1 & 2, So. Mo., 40-50 lb (per hd.)	32.74	34.17	31.11	32.67	36.49	31.67	28.65	32.27	30.96	37.26	41.33	36.52

Continued—

Table 52--Selected price statistics for meat animals and meat--Continued

Item	1985								1986			
	July	Aug.	Sept.	III	Oct.	Nov.	Dec.	IV	Jan.	Feb.	Mar.	I
	Dollars per cwt											
SLAUGHTER LAMBS:												
Lambs, Choice, San Angelo	71.50	71.69	69.75	70.98	67.25	64.17	59.33	63.58	65.81	67.50	63.58	65.63
Lambs, Choice, So. St. Paul	71.38	71.00	68.31	70.23	64.52	64.11	60.10	62.91	62.70	70.40	66.60	66.57
Ewes, Good, San Angelo	37.94	32.50	33.62	34.69	30.25	32.83	36.67	33.25	34.69	31.88	33.12	33.23
Ewes, Good, So. St. Paul	20.20	18.30	21.00	19.83	21.00	21.42	22.40	21.61	29.07	25.88	20.60	25.18
FEEDER LAMBS:												
Choice, San Angelo	73.82	74.34	76.50	74.89	81.65	87.92	84.67	84.75	77.90	75.12	66.69	73.24
Choice, So. St. Paul	70.50	70.72	71.34	70.85	67.32	70.35	70.76	69.48	70.10	73.48	74.00	72.53
FARM PRICES:												
Beef cattle	50.20	49.40	49.10	49.57	52.10	54.80	54.80	53.90	53.20	53.00	*51.80	52.67
Calves	60.00	61.40	58.30	59.90	60.20	61.40	59.80	60.47	60.10	62.80	*62.60	61.83
Hogs	45.80	42.50	39.70	42.67	43.10	43.20	45.30	43.87	44.30	42.80	*40.70	42.60
Sheep	27.20	26.10	25.30	26.20	21.50	23.60	28.90	24.67	29.90	26.10	*26.20	27.40
Lambs	70.80	70.80	70.20	70.60	67.80	66.00	62.50	65.43	63.90	67.00	*66.80	65.90
MEAT PRICES:												
Wholesale:												
Central U.S. markets												
Steer beef, Choice, 600-700 lb	82.22	80.02	81.14	81.13	91.11	99.68	98.84	96.54	92.26	86.82	85.04	88.04
Heifer beef, Choice 500-600 lb	80.93	79.19	80.39	80.17	89.33	96.70	91.15	92.39	90.42	84.94	83.09	86.15
Cow beef, Canner and Cutter	73.32	74.02	70.23	72.52	68.12	67.08	68.37	67.86	69.71	72.92	72.12	71.58
Pork loins, 14-17 lb 4/	96.85	93.77	89.44	93.55	97.85	90.00	100.34	96.06	95.43	91.75	88.12	91.77
Pork bellies, 12-14 lb	62.53	54.17	51.40	56.03	52.09	51.73	58.63	54.14	61.27	51.50	50.80	54.52
Hams, skinned, 14-17 lb	65.79	63.92	65.00	64.90	72.42	NQ	66.67	69.34	64.44	63.00	61.12	62.85
East Coast:												
Lamb, Choice and Prime, 35-45 lb	150.60	147.00	144.12	147.24	143.75	145.00	139.75	142.83	144.75	149.58	150.00	148.11
Lamb, Choice and Prime, 55-65 lb	150.60	147.00	143.75	147.12	140.00	131.75	125.06	132.27	133.62	138.58	128.88	133.69
West Coast:												
Steer beef, Choice, 600-700 lb	92.50	89.50	88.38	85.96	99.40	109.12	110.00	101.53	98.80	91.12	99.50	96.47
	Cents per lb											
Retail:												
Beef, Choice	230.6	225.5	223.6	226.57	224.2	229.9	236.9	230.33	236.9	232.5	230.3	233.2
Pork	161.7	161.8	159.8	161.10	160.0	162.4	166.5	162.97	169.0	168.3	165.8	167.7
	1967=100											
Price indexes (BLS, 1967=100):												
Retail meats	262.7	261.2	260.4	261.4	261.2	266.3	270.1	265.9	270.6	268.4	266.6	269.5
Beef and veal	264.7	261.8	261.1	262.5	263.2	270.8	277.8	270.6	275.7	272.3	271.3	274.0
Pork	253.1	253.8	252.1	253.0	249.9	254.0	254.7	252.9	259.3	257.0	253.4	258.2
Other meats	268.2	267.1	267.3	267.5	269.8	269.0	268.1	269.0	269.6	271.1	269.8	270.4
Poultry	214.7	213.9	215.9	214.8	214.3	216.8	220.3	217.1	218.2	218.5	218.2	218.4
LIVESTOCK-FEED RATIOS, OMAHA 3/												
Beef steer-corn	20.6	21.7	21.8	21.4	25.7	27.8	26.7	26.7	25.6	24.4	NA	NA
Hog-corn	17.9	18.2	17.1	17.7	19.5	19.3	19.8	19.5	19.0	19.0	NA	NA

1/ Reflects new feeder cattle grades. 2/ St. Louis N.S.Y., Kansas City, Omaha, Sioux City, So. St. Joseph, So. St. Paul, and Indianapolis. 3/ Bushels of No. 2 yellow corn equivalent in value to 100 pounds live weight. 4/ Prior to January 1984 prices are 8-14 pounds. * Preliminary.
NA = Not available.

Table 53--Selected marketings, slaughter, and stock statistics for meat animals and meat

Item	1985									1986			
	II	July	Aug.	Sept.	III	Oct.	Nov.	Dec.	IV	Jan.	Feb.	Mar.	I
	1,000 head												
FEDERALLY INSPECTED:													
Slaughter													
Cattle	8,674	3,023	3,089	2,877	8,989	3,097	2,669	2,778	8,614	3,204	2,613	2,726	8,543
Steers	4,199	1,467	1,460	1,341	4,268	1,345	1,174	1,228	3,747	1,458	1,222	1,286	3,966
Heifers	2,724	950	1,019	939	2,908	978	758	788	2,524	951	819	836	2,606
Cows	1,566	541	547	538	1,626	704	674	706	2,084	736	526	550	1,812
Bulls and stags	187	65	64	60	189	69	62	55	186	59	46	54	159
Calves	719	274	272	271	817	298	268	298	864	289	256	276	821
Sheep and lambs	1,428	485	497	480	1,462	554	460	490	1,504	507	441	524	1,472
Hogs	20,750	6,399	6,809	6,749	19,946	7,566	6,817	6,640	21,023	6,968	6,127	6,662	19,727
	Percent												
Percentage sows	4.4	5.6	5.3	4.8	5.2	4.7	4.8	5.2	4.9	4.9	4.6	4.1	4.5
Average live wt per head:	Pounds												
Cattle	1,107	1,104	1,107	1,114	1,108	1,110	1,110	1,099	1,106	1,105	1,113	1,116	1,111
Calves	247	238	225	227	230	229	235	232	232	237	235	236	236
Sheep and lambs	113	112	111	112	112	115	117	117	117	118	119	118	118
Hogs	247	245	243	242	243	246	248	247	247	246	244	244	245
Average dressed wt:													
Beef	662	662	666	669	666	658	653	641	651	649	658	662	656
Veal	150	145	135	136	139	139	141	139	140	144	143	143	143
Lamb and mutton	57	56	56	57	56	58	59	60	59	60	60	59	60
Pork	176	175	173	173	174	175	177	177	176	177	175	176	176
Production:													
Beef	5,724	1,993	2,051	1,917	5,961	2,029	1,735	1,774	5,538	2,070	1,713	1,798	5,581
Veal	106	39	36	37	112	41	112	41	94	41	36	39	116
Lamb and mutton	81	27	28	27	82	32	27	29	88	30	26	31	87
Pork	3,644	1,114	1,177	1,163	3,454	1,321	1,206	1,171	3,698	1,230	1,071	1,166	3,467
COMMERCIAL: 1/	1,000 head												
Slaughter:													
Cattle	9,028	3,139	3,215	2,999	9,353	3,242	2,812	2,925	8,729	3,330	2,715	2,839	8,884
Calves	770	291	289	292	872	319	288	316	923	307	272	294	873
Sheep and Lambs	1,480	502	517	497	1,516	570	475	504	1,549	518	452	540	1,510
Hogs	21,343	6,600	7,016	6,940	20,556	7,788	7,033	6,900	21,721	7,185	6,306	6,855	20,346
	Million pounds												
Production:													
Beef	5,923	2,059	2,123	1,985	6,167	2,108	1,812	1,855	5,775	2,139	1,769	1,861	5,769
Veal	120	43	41	42	126	46	42	46	134	46	40	43	132
Lamb and mutton	83	28	29	28	85	33	28	30	91	31	27	32	90
Pork	3,743	1,147	1,210	1,196	3,553	1,358	1,241	1,215	3,814	1,266	1,101	1,198	3,565
COLD STORAGE STOCKS END OF QUARTER: 2/ 3/	Million pounds												
Beef	288	320	311	308	308	295	302	317	317	318	302	298	298
Veal	11	11	11	10	10	12	11	11	11	11	11	10	10
Lamb and mutton	9	9	10	9	9	10	12	13	13	12	14	12	12
Pork	385	343	295	277	277	277	265	229	229	235	239	252	252
Total meat	698	683	627	604	604	646	633	607	607				

1/ Federally inspected and other commercial. 2/ Beginning January 1977, excludes beef and pork stocks in cooler. 3/ Stock levels end of quarter or month.

Table 54--Selected foreign trade, by months

Item	1985						1986	
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
	Million pounds							
Imports (carcass weight):								
Beef	209.38	213.34	210.00	161.81	151.30	168.31	187.20	159.43
Veal	.74	.96	1.00	1.46	1.69	3.13	3.31	3.00
Pork	90.15	85.78	88.87	89.28	94.08	78.74	99.26	86.72
Lamb and mutton	2.64	1.96	1.87	4.00	3.11	7.34	2.49	3.11
Exports (carcass weight):								
Beef	23.25	34.04	33.97	32.62	24.69	20.90	37.59	33.69
Veal	.57	.27	.21	.19	.11	.44	.30	.30
Pork	9.34	11.03	5.05	9.73	13.75	8.44	5.26	4.25
Lamb and mutton	.08	.09	.07	.05	.12	.12	.17	.12
Shipments (carcass weight):								
Beef	4.23	3.24	4.17	4.04	7.69	3.59	4.7	3.8
Veal	.14	.09	.12	.15	.00	.12	.07	.04
Pork	9.31	9.73	9.02	10.04	15.50	11.56	11.6	8.0
Lamb and mutton	.19	.26	.23	.16	.20	.17	.17	.29
	Number							
Live animal imports:								
Cattle	35,840	30,920	32,506	23,878	132,223	230,200	167,215	104,931
Hogs	108,483	65,195	48,421	37,371	38,630	65,854	70,493	47,021
Sheep and Lambs	5,467	5,070	3,412	2,773	3,543	1,020	1,161	1,509
Live animal exports								
Cattle	5,619	14,248	6,400	6,912	10,222	16,115	6,182	8,188
Hogs	1,356	1,933	1,632	2,742	1,283	1,158	651	2,331
Sheep and lambs	36,121	27,530	20,124	23,696	18,721	22,073	13,441	12,208

Table 55--Imports of feeder cattle, calves and hogs from Canada and Mexico

Year and month	Feeder cattle and calves		Hogs
	Canada	Mexico	Canada
	Number		
1984			
Jan.	13,812	113,941	92,407
Feb.	22,425	93,891	87,962
Mar.	26,074	70,948	94,035
Apr.	35,117	27,318	114,760
May	34,211	14,051	97,358
June	29,376	1,799	117,160
July	39,468	15,055	137,082
Aug.	35,872	415	120,698
Sept.	36,866	10,896	90,282
Oct.	33,333	2,885	116,121
Nov.	27,209	533	112,086
Dec.	22,851	38,531	142,064
Total	356,614	390,263	1,322,015
1985			
Jan.	17,060	59,670	184,294
Feb.	33,849	4,416	142,330
Mar.	65,973	4,767	213,490
Apr.	55,824	4,303	89,183
May	35,865	15,684	123,103
June	23,208	26,073	108,799
July	14,152	21,278	108,481
Aug.	14,814	16,105	65,195
Sept.	15,066	16,884	48,421
Oct.	19,406	4,147	37,371
Nov.	29,958	101,638	38,630
Dec.	27,844	201,513	65,854
Total	352,489	476,478	1,225,131
1986			
Jan.	24,480	142,416	70,480
Feb.	28,787	75,606	47,021
Mar.	25,184	77,806	29,067

Table 56--U.S. imports of feeder cattle from specified countries, excluding breeding animals and cows for dairy purposes

Year	700 pounds and over				Under 200 pounds			
	Canada	Mexico	Other	Total	Canada	Mexico	Other	Total
				Head				
1979	136,397	1,045	25	137,467	144,170	1,963	0	146,133
1980	148,489	107	30	148,626	131,498	4,439	0	135,937
1981	130,160	103	81	130,344	144,769	884	0	145,653
1982	223,275	96	51	223,422	158,231	1,375	0	159,606
1983	221,066	902	14	221,982	87,587	977	0	88,564
1984	253,700	827	48	254,575	77,700	143	2	77,845
1985	205,343	1,617	472	207,432	25,776	8,972	1	34,749
1986 1/	43,360	2,907	5	46,272	2,077	3,496	0	5,573
	200 to 699 pounds				Total			
	Canada	Mexico	Other	Total	Canada	Mexico	Other	Total
1979	53,729	376,941	56	430,726	334,296	379,949	81	714,326
1980	54,570	327,695	60	382,325	334,557	332,241	90	666,888
1981	50,012	320,040	4	370,056	324,941	321,027	85	646,053
1982	97,307	508,206	255	605,768	478,813	509,677	306	988,796
1983	27,992	559,665	12	587,669	336,645	561,544	26	898,215
1984	17,687	389,215	19	406,921	349,087	390,185	69	739,341
1985	107,201	465,889	278	573,368	338,320	476,478	751	815,549
1986 1/	5,513	211,315	270	217,098	50,950	217,718	275	268,943

1/ Jan.-Feb. 1986.

Table 57--Number of cattle, sheep, and hogs imported, United States

Year	Cattle					
	700 pounds and over			Under 700 pounds		
	Cows for dairy purposes	Other	Total	Under 200 pounds	200 to 699 pounds	Total
	Head					
1979	6,628	137,467	144,095	146,133	430,726	576,859
1980	5,378	148,626	154,004	135,937	382,325	518,262
1981	4,951	130,344	135,295	145,653	370,056	515,709
1982	7,957	223,422	231,379	159,606	605,768	765,374
1983	13,100	221,982	235,082	88,564	587,669	676,233
1984	7,605	254,575	262,180	77,845	406,921	484,766
1985	14,169	207,432	221,601	34,749	573,368	608,117
1986 2/	2,621	46,272	48,893	5,573	217,098	222,671

Year	Dutiable cattle	Breeding cattle 1/	Total cattle	Sheep and lambs	Hogs
	Head				
1979	720,954	11,360	732,314	9,478	136,556
1980	672,266	8,503	680,769	20,518	247,288
1981	651,004	8,193	659,197	6,860	145,695
1982	996,753	7,754	1,004,507	9,286	294,937
1983	911,315	9,492	920,807	7,128	447,465
1984	746,946	6,492	753,438	16,285	1,322,017
1985	829,718	6,300	836,018	24,199	1,226,571
1986	271,564	582	272,146	2,670	117,514

1/ Imports not subject to duty. 2/ Jan.-Feb. 1986.

Table 58--Expenditures per person for red meat and poultry 1/ 2/

Year and qtr..	Beef $	Beef % of income	Pork $	Pork % of income	Red meat $	Red meat % of income	Broilers $	Broilers % of income	Turkeys $	Turkeys % of income	Poultry $	Poultry % of income	Total 3/ $	Total 3/ % of income
1980	181.76	2.16	95.07	1.13	276.83	3.43	35.96	0.45	9.32	0.11	45.28	0.56	322.11	3.83
1981	184.52	2.00	99.06	1.07	283.58	3.18	34.48	.37	10.45	.11	44.93	.50	328.51	3.55
1982	187.45	1.93	103.66	1.07	291.11	3.10	34.20	.35	9.91	.10	44.11	.47	335.22	3.44
1983	187.38	1.81	105.62	1.02	293.00	2.94	37.06	.36	10.27	.10	47.33	.47	340.33	3.29
1984														
I	47.06	1.70	24.87	.90	71.94	2.70	10.86	.39	1.89	.07	12.74	.46	84.68	3.06
II	46.73	1.67	24.23	.86	70.95	2.53	11.36	.41	2.13	.08	13.49	.48	84.44	3.01
III	47.24	1.66	24.27	.85	71.51	2.51	10.98	.39	2.74	.10	13.62	.48	85.13	3.00
IV	47.22	1.65	26.94	.94	74.17	2.59	9.96	.35	4.61	.16	14.57	.51	88.73	3.10
Year	188.33	1.67	100.12	.89	288.44	2.56	43.06	.38	11.25	.10	54.31	.48	342.75	3.04
1985														
I	45.41	1.58	25.31	.88	70.72	2.46	10.02	.35	2.25	.08	12.27	.43	82.99	2.89
II	46.88	1.59	24.42	.83	71.30	2.41	10.75	.36	2.38	.08	13.13	.44	84.43	2.86
III	47.13	1.61	24.65	.84	71.78	2.45	10.67	.36	3.05	.10	13.72	.47	85.51	2.92
IV	44.22	1.49	26.24	.88	70.46	2.18	10.18	.34	5.12	.17	15.31	.52	85.77	2.89
Year	183.97	1.57	100.62	.86	284.58	2.72	41.72	.36	12.68	.11	54.39	.46	338.98	2.89
1986														
I	44.77	1.50	24.99	.84	69.76	2.43	10.44	.35	2.44	.08	12.89	.43	82.65	2.77

1/ Red meat includes beef and pork only; poultry includes broilers and turkeys only. 2/ Revisions in percent of income data for all years due to revisions in total income. 3/ Total includes beef, pork, broilers, and turkeys only.

LAMB FEEDING IN THE WESTERN STATES

by

C. Kerry Gee, Albert G. Madsen, and Leland Southard*

ABSTRACT: More than one-half of the lambs slaughtered in the U.S. are fattened in commercial feedlots. Colorado is the leading State. Based on a 1985 survey of lamb feedlots by Colorado State University, the Economic Research Service has developed lamb feeding budgets for a typical 24,000-head capacity lot. Lamb feedlots were profitable in 1984 and 1985.

Keywords: Lamb, feeding, sheep, feedlots, feeds

Introduction

This article explains the origin and development of the Colorado lamb feeding budget, which is now a regular feature of the Livestock and Poultry Situation. More than one-half of the lambs slaughtered in the United States are fattened in large commercial feedlots. Most feedlots are located in the 17 Western States. Colorado, with about 20 percent of the national capacity, is the leading State in lamb feeding followed by California, Texas, and Wyoming. These four States produce 50 percent of all fed lambs marketed. Like the sheep industry in general, there has been a long downward trend in the number of lambs fed annually. Numbers fed also fluctuate widely year to year largely due to weather conditions.

With adequate nutrition, lambs will grow and fatten to slaughter weights and grades by weaning time. If range forage production is good, a large percentage of lambs will be ready for slaughter when weaned. Dry or drought conditions will result in more lambs selling as feeders. Normally, the mountain areas of the West produce the most fat lambs at weaning while the Western deserts and drier areas of the Plains States produce most of the feeder lambs. Although most feeder lambs are fattened in feedlots, lambs have the ability to reach slaughter weights and grade with crop residues as the principal feed source. Alfalfa fields and sugar beet tops make an excellent and inexpensive fattening ration. In some years, a significant number of lambs are fattened on these kinds of feeds.

Characteristics of Lamb Feeding Businesses

A 1985 survey by Colorado State University gives the most complete information available on characteristics and operating practices of large commercial lamb feedlots. Although the data are limited to Colorado, there is much similarity among lamb feedlots throughout the West. Therefore, the description of Colorado lamb feeding should be fairly characteristic of commercial lamb feeding in general.

Business Characteristics

Most lamb feedlots are structured as single proprietorships or corporations. These types of organization were found on 80 percent of Colorado feedlots. Years in business ranged from 6 to 30 with an average of 20. Over 60 percent of the businesses surveyed had been feeding lambs for 24 years or more. The general condition of the sheep industry has not encouraged new entrants into lamb feeding.

*Gee and Southard are agricultural economists with the Economic Research Service, National Economics Division, Animal Products Branch, stationed at Colorado State University and Washington, D.C. respectively. Albert Madsen is a professor at Colorado State University.

One-time capacity of the feedlots surveyed ranged from 5,000 to 60,000 lambs and averaged 24,300 head. These lots marketed 913,000 lambs during 1984.

The average feedlot capacity utilization ranged from about 80 percent during September-December to 65 to 70 percent from March through August. Individual feedlots demonstrated a greater fluctuation in capacity use than reflected in the averages. Capacity in one feedlot varied from 34 percent to 100 percent. Another lot maintained 80 percent utilization throughout the year while a third lamb feeder utilized his full capacity for all but 2 months. The general tendency is to keep pens full in fall months when lambs are coming off range and to have unused capacity during the rest of the year.

During 1984, 48 percent of lambs marketed from the feedlots surveyed were custom fed. The proportion of lambs custom fed by individual feedlots ranged from none to 100 percent. Sheep producers owned 21 percent of the custom fed lambs. Most of the remainder were fed for meat packing businesses.

Feeder Lambs

Feeder lamb purchases are usually made either by feedlot employees (51 percent of 1984 lamb purchases) or commission firms (29 percent) that procure lambs based on orders placed by feedlot owners. Custom fed lambs may be purchased by their owners or by commission firms.

Lambs fed in Colorado are produced in many of the surrounding States. In 1984, feedlots acquired 26 percent of their lambs from within the State, 23 percent from Texas, and 18 percent from Wyoming. Different lambing seasons in the various States help provide a steady flow of feeder lambs into Colorado feedlots throughout the year.

The average weight of lambs entering feedlots in 1984 was 83 pounds. Over one-half of the lambs fed exceeded 80 pounds and 85 percent weighed more than 70 pounds. A few lighter lambs were fed, most of them coming from the Southwestern States.

Lambs may be sheared when entering the feedlots. In wet weather, mud buildup in the wool can cause reduced gains. Hot summer weather also cuts feedlot performance, which makes shearing a desirable practice. Colorado feedlots sheared 56 percent of the lambs fed in 1984.

Lamb Performance in Feedlots

Table 1 presents typical starting and fattening rations for lambs. Once lambs are accustomed to the feeds and feedlot environment, rations with high levels of concentrates give the best performance. Feedlot records for 1984 indicated that lambs gained an average of .59 pounds per day and required 6.8 pounds of feed on an actual weight basis to produce a pound of gain (table 2). Lambs were fed an average of 64 days, gained 38 pounds in the feedlot, and were marketed at an average weight of 121 pounds. Death loss averaged 2.3 percent of lambs entering the feedlot.

Lamb feedlot performance has been improving over time. A comparison of survey data from 1984 to 1972 indicates some important changes (table 2). Starting weights in 1984 averaged 9 pounds heavier than in 1972. Slaughter weights were 12 pounds heavier. The heavier slaughter suggests a change in attitude by the packing industry toward heavy lambs. Traditionally, slaughter lambs weighing more than 110-115 pounds were discounted on the basis that they carried excessive fat. Feedlot operators now indicate that heavy lambs are generally not discounted unless meat packers are faced with excessive lamb inventories. Many packers recognize an advantage of heavier lambs in that yields of marketable products are greater and output per unit of plant capacity is increased.

Feed conversion and rate of gain improved between 1972 and 1984 due mostly to higher concentrate rations. Average gain per day increased from .43 pounds to .59 pounds, while feed conversion dropped from 7.3 pounds to 6.8 pounds per pound of gain. It appears that in some aspects of production, lamb feedlots are becoming more efficient.

Lamb Marketing

All lambs sold from feedlots go directly to packers and 99 percent are sold on a grade and yield basis. This practice gives feedlot

operators valuable information for evaluating the performance of different lots of lambs and results in a more equitable price for both buyers and sellers.

Nearly one-third of the feedlots sold 50 percent or more of their lambs under direct contracts with packers. One-half of the feedlots indicated that they had ownership in a slaughter plant. This has served to ensure market access for finished lambs.

Lamb marketings are fairly well distributed over the year, with about 9 percent sold each month except October, November, and December, when sales increase to about 10 percent. This uniformity of distribution helps even out supplies entering the market in an industry that is highly seasonal in production.

Commercial Lamb Feedlot Enterprise Budget

Data from the Colorado survey were used to estimate 1984 costs and returns for a 24,000-head capacity feedlot (table 3). Production was based on rations and performance data in tables 1 and 2. It was assumed that the lamb inventory turnover rate was 3.8 times per year. Feed prices were annual averages for 1984 at Kansas City. Lamb prices were annual averages for 1984 reported at St. Paul, Minnesota. St. Paul prices are not the best representation of prices paid and received for lambs in Colorado feedlots but they are the only consistent quotation over time other than San Angelo, which is not representative of Colorado prices either. As indicated above, about one-half of the feedlot lambs are sheared each year. Since pounds of wool produced were not obtained in the survey, shearing costs and wool sales were excluded from the budget.

Costs and returns for this budget indicate that lamb feeders in Colorado made considerable profits in 1984. Based on lamb prices used (table 4), there was a positive price spread of $5.08 per cwt between feeder and fat lambs, which is not common. Therefore, the level of profits indicated was higher than the norm. Price spreads for 1980 to 1983 for the same market were -$2.65, -$4.37, $.05 and $.66. Rising lamb prices during 1984 caused the unusually profitable year for lamb feeders.

The Future

The lamb feeding industry is fairly stable in that there is little change occurring in geographical location of feeding or in the number of feedlots and size composition. Some feedlots go out of business each year, and there is little new construction in the West. Total lambs fed follow the general trend of the sheep industry as a whole. There are no apparent developments in feeding technology or marketing that will impact lamb feeding businesses in the near future. However, there appears to be a resurgence of farm flocks in the East, particularly Virginia and surrounding States. In 1985, a new lamb slaughtering facility began operating in southwestern Virginia.

Monthly Lamb Feeding Budgets

To provide a continuing monitor on lamb feeding, monthly lamb feeding budgets were developed using cost-of-production data gathered by Colorado State University in the 1985 survey of lamb feedlots. In the monthly budget, lambs are assumed to be placed on feed at 83 pounds and sold 2 months later at 121 pounds. Feeder and slaughter lamb prices are average choice prices at St. Paul. Corn prices are for Colorado but other feed costs are based on wholesale prices at Kansas City. No adjustments are made for the fixed base on seasonality of feeding. Fixed costs are the same for all lambs placed. The operating interest rate is the average reported on operating loans by agricultural banks in the Tenth Federal Reserve District. The remaining costs are indexed by various input prices paid by farmers as reported by the National Agricultural Statistics Service.

Table 1--Lamb rations used in Colorado feedlots, 1984

Feed	Starting ration	Finishing ration
	Percent	
Grain	20	84
Corn silage	14	3
Hay	57	4
Protein supplement	4	8
Other	5	1
Total	100	100

Table 2--Performance of lambs in Colorado feedlots, 1984

Item	Unit	1984	1972 1/
Starting weight	Pounds	83	74
Slaughter weight 2/	Pounds	121	109
Total gain	Pounds	38	35
Days on feed	Number	64	81
Gain/day	Pounds	.59	.43
Feed/pound gain 3/	Pounds	6.8	7.3
Death loss	Percent	2.3	2.7

1/ See C. Kerry Gee and Albert G. Madsen, Structure and Operation of the Colorado Lamb Feeding Industry, Colo. Stat. Univ. Exp. Sta., Tech. Bul. 121, January 1972. 2/ Pay weight. 3/ Actual weight basis.

Table 3--Lamb feedlot enterprise, average capacity 24,000 head, 1984

Item	Unit	Quantity	Average weight 1/	Price 1/	Total value	Value per head
Sales:						
Slaughter lambs	Head	90,239	1.21	60.59	6,615,773	
Manure sales	Ton	15,754	---	1.00	15,754	
Total					6,631,527	73.49
Inputs:						
Feeder lambs	Head	92,315	.83	55.51	4,253,257	47.13
Corn grain	Ton	7,578.3	---	108.92	825,428	9.15
Hay pellets	Ton	2,914.7	---	112.21	327,058	3.62
Protein supplement	Ton	116.0	---	172.27	19,983	.22
Feed additives	Dollars	---	---	---	180,478	2.00
Labor	Dollars	---	---	---	53,484	.59
Electricity	Dollars	---	---	---	7,836	.09
Telephone	Dollars	---	---	---	5,088	.06
Vet and medicine	Dollars	---	---	---	32,628	.36
Machine hire	Dollars	---	---	---	137,163	1.52
Legal and accounting	Dollars	---	---	---	5,076	.06
Fuel	Dollars	---	---	---	5,174	.06
Repairs	Dollars	---	---	---	7,577	.08
Interest					125,367	1.39
Taxes and insurance					3,319	.04
Replacement costs					24,955	.27
Total	Dollars	---	---	---	6,013,871	66.64
Net Return over cash cost and replacement	Dollars	---	---	---	617,656	6.84

1/ Average weight and price are on a hundredweight basis. 2/ Interest is charged at 13 percent for the months funds are actually in use. 3/ Includes taxes, insurance, interest on fixed assets and asset replacement cost.

Table 4--Feeder lamb and slaughter lamb prices, St. Paul, 1984

Month	Feeder lambs	Slaughter lambs
	Dollars per cwt	
January	55.20	56.60
February	58.10	56.82
March	55.20	57.50
April	53.75	61.55
May	52.50	61.42
June	52.50	58.85
July	53.28	60.04
August	53.50	62.48
September	58.15	61.75
October	57.40	65.38
November	57.90	65.47
December	58.62	59.18
Average	55.51	60.59

Source: Livestock and Poultry Outlook and Situation, U.S. Dept. of Agr., Econ. Res. Serv., various months.

Table 5--Colorado lamb feeding: Selected costs at current rates 1/

Purchased during: / Marketed during:	Jan. 85 / Mar. 85	Feb. / Apr.	Mar. / May	Apr. / June	May / July	June / Aug.	July / Sept.	Aug. / Oct.	Sept. / Nov.	Oct. / Dec.	Nov. / Jan. 86	Dec. / Feb.	Jan. 86 / Mar.
EXPENSES: ($/head)													
Feeder lamb (83 lbs)	52.72	53.12	53.12	53.12	53.12	59.22	58.52	58.70	59.21	55.88	58.39	58.73	58.18
Corn (3.0 bushels)	7.86	7.86	8.10	8.22	7.89	8.64	8.37	8.25	7.65	6.75	6.87	7.20	7.32
Hay pellets (64 lbs)	3.19	3.00	2.86	2.76	2.58	2.43	2.37	2.35	2.37	2.45	2.62	2.70	2.74
Protein supplement	.18	.17	.17	.16	.15	.14	.16	.17	.18	.18	.18	.19	.20
Feed additives 2/	2.02	2.02	2.00	1.97	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Total feed costs	13.24	13.04	13.13	13.10	12.62	13.22	12.89	12.77	12.20	11.38	11.68	12.09	12.25
Labor	.59	.59	.59	.62	.62	.62	.62	.61	.61	.61	.59	.59	.59
Dealth loss	1.21	1.22	1.22	1.22	1.22	1.36	1.35	1.35	1.36	1.29	1.34	1.35	1.34
Vet. and medicine 3/	.36	.36	.36	.37	.37	.37	.37	.37	.37	.37	.36	.36	.36
Miscellaneous and indirect costs 4/	.78	.78	.78	.79	.79	.78	.78	.78	.78	.78	.78	.78	.78
Machine hire 5/	1.60	1.60	1.59	1.64	1.64	1.63	1.63	1.61	1.60	1.60	1.58	1.58	1.58
Interest on operating capital	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45
Total	71.97	70.95	71.03	71.10	70.62	77.30	76.27	76.28	76.21	72.06	74.83	75.59	75.20
SELLING PRICE REQUIRED TO COVER:													
Feed and feeder ($/cwt) costs (121 lbs)	54.52	54.68	54.75	54.73	54.33	59.87	59.02	59.06	59.02	55.59	57.91	58.53	58.21
All costs (121 lbs)	59.48	58.64	58.70	58.76	58.36	63.89	63.03	63.04	62.99	59.55	61.84	62.47	62.15
Feed costs per 100-lb gain	34.85	34.32	34.54	34.48	33.21	34.78	33.93	33.60	32.10	29.96	30.73	31.81	32.24
Choice slaughter lambs, So. St. Paul	69.40	66.00	68.66	68.72	71.38	71.00	68.31	64.52	64.11	60.10	62.70	70.40	66.60
Net margin	9.92	7.36	9.96	9.96	13.02	7.11	5.28	1.48	1.12	.55	.86	7.93	8.25
PRICES:													
Feeder lamb, choice $/cwt St. Paul	63.52	64.00	64.00	64.00	64.00	71.35	70.50	70.72	71.34	67.32	70.35	70.76	70.10
Corn $/bu	2.62	2.62	2.70	2.74	2.63	2.88	2.79	2.75	2.55	2.25	2.29	2.40	2.44
Alfalfa pellets $/ton	99.60	93.75	89.25	86.20	80.75	76.00	74.00	73.50	74.00	76.60	82.00	84.40	85.50
Soybean meal 44% $/ton solvent	141.20	130.20	132.90	122.60	114.80	113.30	122.70	129.50	141.70	143.60	142.20	147.30	153.25
Farm labor 1977=100	150	150	150	158	158	158	154	154	154	150	150	150	150
Interest rate, annual 6/	13.81	13.81	13.81	13.37	13.37	13.37	13.22	13.22	13.22	13.12	13.12	13.12	13.12
Index of prices paid by farmers (1977=100)	164	164	164	165	165	164	163	163	162	162	163	162	163
Ag chemicals 1977=100	129	129	128	126	128	128	128	128	128	128	128	128	128
Tractor and self-propelled equip. 1977=100	182	182	180	180	180	177	177	177	174	174	174	174	174
Other machinery 1977=100	183	183	182	182	182	184	184	184	184	184	184	184	184
Fuels and energy 1977-=100	195	192	195	201	203	204	204	203	203	202	206	206	203

1/ Costs represent only what expenses would be if all selected items were paid for during the period indicated. The feed rations and expenses items do not necessarily coincide with the experience of individual feeders. For individual use, adjust expenses and prices for management, production levels, and locality of operation. 2/ Adjusted by prices paid by farmers for agricultural chemicals. 3/ Adjusted by prices paid by farmer for agricultural chemicals (30 percent) and farmer labor (70 percent). 4/ Adjusted by the prices paid by farmers for commodities, services, interest taxes, and wage rates. 5/ Adjusted by prices paid for tractor and self-propelled equipment (40 percent) other machinery (1 percent) labor (50 percent) and fuels and energy (3 percent). 6/ Average interest rate on agricultural operating loans in the 10th Federal Reserve District as reported by the Kansas City Federal Reserve Bank.

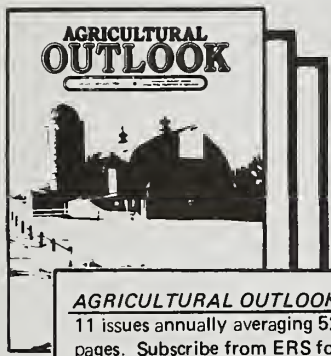
LIST OF TABLES

Special article tables

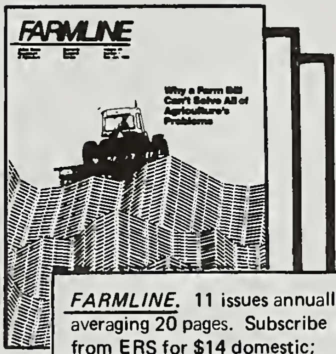
*U.S. GOVERNMENT PRINTING OFFICE: 1986-490-917:20482/ERS

ORDER DIRECT AND SAVE

Check these **new**, reduced subscription rates now offered on a user fee, cost-recovery basis from USDA's Economic Research Service.



AGRICULTURAL OUTLOOK. **11 issues annually averaging 52 pages. Subscribe from ERS for $26 domestic; $32.50 foreign.** USDA's official outlet for farm income and food price forecasts. Data and discussion of issues ranging from international trade to prospects for commodity supply and demand, food marketing, agricultural policies, and other major issues affecting agriculture and the economy.



FARMLINE. **11 issues annually averaging 20 pages. Subscribe from ERS for $14 domestic; $17.50 foreign.** Farm economic information in an easily read style, reinforced with charts and statistics for those without time to review all the technical reports from ERS. Reports on all economic topics important to those involved in agriculture, with the focus on the causes and implications.

NATIONAL FOOD REVIEW. **Quarterly averaging 40 pages. Subscribe from ERS for $9.00 domestic; $11.25 foreign.** The latest developments in food prices, product safety, nutrition programs, consumption patterns, marketing, and processing technology for those who manage, monitor, or depend on the Nation's food system.

HOW TO ORDER. Check the box for each publication or insert the number of extra subscriptions you wish to order. Write one check or money order to cover total charges. You will receive a copy of the most current issue, and a letter acknowledging your subscription. *Do not send cash. No credit cards. Sorry, no refunds.* Foreign customers note: Only checks drawn on U.S. banks, cashier's checks, or international money orders accepted.

Publication	Domestic	Outside U.S.
☐ Agricultural Outlook 11 issues	$26.00	$32.50
☐ Farmline 11 issues	$14.00	$17.50
☐ National Food Review Quarterly	$ 9.00	$11.25

Make check or money order payable to:

ERS Publications
USDA, Room 228
1301 New York Ave., N.W.
Washington, D.C. 20005-4789

Enclosed is my check or money order for $ ________

Please print or type information below

For additional information, call (202) 786 - 1494.

NAME	DAYTIME PHONE NO. ( )	OFFICE USE ONLY
COMPANY OR ORGANIZATION		Date Rec'd
		Amount
STREET ADDRESS OR POST OFFICE BOX NO.		Pubs Req'd
		First Issue
CITY	STATE / ZIPCODE	Last Issue

United States
Department of Agriculture
Washington, DC 20250

Moving? To change your address, send this sheet with label intact, showing new address, to EMS Information, Rm. 228, 1301 New York Ave., N.W. Washington, D.C. 20005-4788

CUSTOMER SERVICE

Outlook reports arriving late? Not getting what you paid for? Do you have other questions or concerns about ERS Outlook and Situation reports? For assistance, call the Information Division (202) 786-1494.